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## Wall Street Drops 3% on Profit Outlook

By Lawrence Malkin  
International Herald Tribune

**NEW YORK** — The stock market plunged Monday, with the Dow Jones Industrial Average losing more than 160 points, as fears grew that blue-chip American companies have stopped delivering sharp profit increases.

The catalyst for the plunge was a technology stock, following the pattern last week, when the Dow lost a total of

77 points. The latest culprit was Applied Materials Inc., the world's biggest maker of the equipment used to manufacture computer chips. It said slowing sales would keep its earnings below Wall Street's expectations.

Motorola Inc. and Hewlett-Packard Co. led last week's drop, and the bad news Monday from Allied was "the disaster du jour," Charles Smith of P.T. Pitt Capital Management told Bloomberg Business News.

But the disaster scenario is spreading beyond what now appears to have been a speculative bubble in technology stocks to household names in American business—Coca-Cola, Eastman Kodak Co. and Boeing Co.

International Business Machines Corp. was also swept up in the rout of small technology companies as investors deserted technology stocks.

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	Down	Down
Dow Jones	161.05	1.04%
	5349.51	133.75
The Dollar		
New York	Mon. close	previous close
DM	1.5158	1.5238
Pound	1.5523	1.5516
Yen	110.275	110.875
FF	5.135	5.1568

## Yeltsin Calls Off Session With Gore; New Illness Feared

### Kremlin Says Leader Is 'Tired'; Key Reformer Comes Back In

By David Hoffman  
Washington Post Service

**MOSCOW** — President Boris N. Yeltsin abruptly postponed a planned Kremlin meeting with Vice President Al Gore on Monday, reigniting questions about his health.

But Mr. Yeltsin later announced the first major appointment of his second term, naming the economic reformer Anatoli B. Chubais to be chief of his administration.

Mr. Chubais, a 41-year-old economist who played a key role in Mr. Yeltsin's re-election campaign, is a symbol of the free-market reforms begun in Mr. Yeltsin's first term, especially privatization — the huge transfer of state property to private hands.

At the same time, Mr. Chubais has often been a lightning rod for criticism of the economic reforms, and he is not popular. But Mr. Yeltsin has now given Mr. Chubais a powerful position — effectively the presidential chief of staff — from which he will wield broad influence, Russian officials said.

The appointment was overshadowed Monday by a fresh surge of questions about Mr. Yeltsin's health, which were triggered by the unexplained decision to postpone a Kremlin meeting with Mr. Gore.

U.S. officials said the meeting had been planned for some time, and the Russians had given no signals of a problem until the last minute.

The officials said they did not think Mr. Yeltsin's disappearance was designed as a deliberate snub of Mr. Gore, who, when he arrived in Moscow, had urged Mr. Yeltsin to cease hostilities and honor a truce in Chechnya.

The word that Mr. Yeltsin would not meet Mr. Gore was passed to the vice president less than an hour before the planned session. Reporters had already assembled at the Kremlin for a picture-taking session, although Mr. Gore had not left his hotel at the time of the announcement.

The Kremlin first said the meeting had been canceled because Mr. Yeltsin had decided to go on a two-week vacation. Later, it was announced that Mr. Yeltsin would receive Mr. Gore on Tuesday.

Mr. Yeltsin has a history of heart trouble and disappearances from public view. The latest disappearance came only two weeks ago, when he dropped from sight during the week before the July 3 runoff election. Mr. Yeltsin was said by aides then to be suffering from a cold and a sore throat. But Russian political sources have said he was going through a breakdown, perhaps from exhaustion and depression.

The Kremlin has repeatedly put out false information about Mr. Yeltsin's health and has projected his true condition with a wall of secrecy.

Sergei Medvedev, Mr. Yeltsin's spokesman, said Monday: "The president is tired, very tired. And he just needs a good rest. He has not gotten sick."

But Mr. Medvedev disclosed recently, for the first time, that Mr. Yeltsin, 65, may have a medical examination while at the resort in Barvikha, which also has a clinic.

Mr. Medvedev said Mr. Yeltsin had not had a checkup since late last year and that in recent weeks he had not allowed his blood pressure to be measured. "It's very difficult for the doctors," Mr. Medvedev said.

Mr. Medvedev also raised the possibility that Mr. Yeltsin would undergo unspecified medical "procedures" but did not elaborate. Mr. Yeltsin is be-

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## New Jet Set: Arms Firms Woo Central Europeans

By Raymond Bonner  
New York Times Service

**BUDAPEST** — On a hectic day in June, when the Hungarian Parliament was debating a new constitution, Imre Mees spent the morning listening to a sales pitch from McDonnell Douglas Corp. and American military officers. As the day ended, he hurried to a party organized, he thought, by Lockheed.

It turned out that McDonnell Douglas was the host, but Mr. Mees can be forgiven for being confused, such has been the fierce competition among American and European aerospace giants to sell advanced aircraft to former Warsaw Pact nations.

A McDonnell Douglas corporate jet recently flew Mr. Mees from Washington to St. Louis. Then it was on to Fort Worth, Texas, where, after a sedate dinner given by the mayor and officials of Lockheed Martin Corp., the party adjourned to Billy Bob's, a well-known night spot.

Mr. Mees donned a white Stetson and was photographed atop a bucking bronco, a Lockheed vice president sitting behind him.

The end of the Cold War brought to a close the global arms race between the superpowers. But it has ushered in a new, equally intense rivalry among arms manufacturers bidding for their share of the world's shrinking defense budgets.

Central Europe, where Hungary, Poland and the Czech Republic are all campaigning to join the North Atlantic Treaty Organization as soon as possible, has become a primary battleground. Together, the three countries have expressed interest in buying as much as \$8 billion in advanced fighters.

It is a bonanza the likes of which weapons manufacturers, reeling from military cutbacks from Moscow to Washington, have not seen in years, although in recent months, budgetary realities have prompted the three countries to scale back their immediate appetite for new jets.

But that has not fazed the manufacturers, who have come forward with various creative proposals to get around the lack of cash. Some are proposing cost-cutting deals under which local companies would assemble significant percentages of the planes. The U.S. government is offering to lease used fighters in the hopes that this will start these countries down the road to equipping their air forces entirely with American-made planes.

"We're the pretty girl at the dance," declared Mr. Mees, a student leader of Hungary's 1956 and-

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**AFTERMATH** — Relatives of a man killed in Ulster's violence leaving a church Monday in Londonderry. At left, a boy plays in a Catholic neighborhood of Belfast under graffiti expressing the province's mood. Page 7.

## Labor's Heavy Fire Shoves Republicans Off Balance

By Robin Toner  
New York Times Service

**NEW YORK** — Four months before Election Day, an advertising campaign by the largest labor organization in the United States, the AFL-CIO, has buffeted House Republicans from coast to coast, forcing them on the defensive on issues like Medicare and generating a fierce counterattack from Republicans and their allies that is expected to broaden.

Already, some analysts say, organized labor has played more of a role in the political debate than it has since 1984, when it was front and center in the presidential campaign of Walter Mondale.

Its television and radio campaign, primarily focused on the districts of Republican freshmen in the House, has presented a harrowing critique of the 104th Congress and made it harder for many Republicans to regain their political footing after last year's bruising budget battle, several leading pollsters say.

Linda DiVall, a leading Republican pollster, argues that labor's efforts are so "heavy-handed" that they will inevitably lead to a backlash. But so far, she said, the combination of labor and Democratic National Committee advertising has "definitely focused attention on some issues that accrue to the benefit of the Democrats." Another Republican strategist, who spoke on the condition that he not be identified, said,

"The sheer weight of it has been corrosive." Haley Barbour, chairman of the Republican National Committee, said in an interview that his party would defuse labor's critique before Election Day, but acknowledged: "Anytime somebody spends tens of millions in unanswerable television advertising attacking people by name, sure it has some effect at the time."

For his part, John Sweeney, president of the labor federation, said that despite the growing counterattack, he was well pleased with the AFL-CIO's campaign so far. "We're doing the right thing for our

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## America's \$100-Million Men

NBA's Free-Agent Shuffle Raises the Stakes in Sports

By Selena Roberts  
New York Times Service

Now top this. You're Gary Payton, feeling pretty good about an \$85-million deal you have just agreed to stay in Seattle, until Alonzo Mourning makes it feel like some kid's allowance after it is reported that he is expected to become the first \$100-million man in team sports with a seven-year, \$105-million deal from the Miami Heat.

Well, neighbor, Florida could have two \$100-million men if Shaquille O'Neal accepts Orlando's newest offer: a seven-year deal believed to be worth \$115 million, according to a person close to the negotiations.

That would make O'Neal the owner of the richest deal in team sports — for how long that lasts — with a contract that supersedes the \$95 million the Los Angeles Lakers are waving under his nose.

Welcome to free agency in its most extravagant version ever. Baseball contracts used to raise eyebrows, but even the biggest deals in that sport pale in comparison to what is going on in U.S. basketball now.

The Palm Beach Post reported that Mourning would break the \$100-million barrier as his reward for choosing to stay in Miami, where he will now team with Juwan Howard, most recently of the Washington Bullets, who got \$98 million over seven years to join the Heat.

But no one doubts that O'Neal will soon have the biggest contract of all, when he finally decides between Los Angeles and Orlando. How much of this is a lifestyle choice for O'Neal, who is capable of trading in Disney World for Disneyland? How much is this about O'Neal's agent, the Los Angeles-based

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Shaquille O'Neal, seated, and Gary Payton had time for joking as the U.S. Dream Team rolled over the Greek Olympic squad, 128-62.

## The New U.S. South: A Narrow Color Line to Walk

By Eugene Robinson  
Washington Post Service

**LINEVILLE, Alabama** — The Reverend Charles Caldwell remembers when he was a boy and looked out the window of his family's farmhouse one night to see flames. Klansmen had dug a

Newsstand Prices	
Bahrain	1,000 Din. Malta
Cyprus	£ 1.00 Nigeria
Denmark	14.00 D.Kr. Oman
Finland	12.00 F.M. Qatar
Gabon	£ 0.85 Rep. Ireland
Greece	£ 0.90 Saudi Arabia
Great Britain	£ 5 U.A.E. R10 + VAT
Japan	1,250 JD U.A.E.
Korea	SH. 150 U.S. Ml. (Eur.)
Kuwait	800 Fls. Zimbabwe

shallow trench in the shape of a cross, filled it with gasoline and set it ablaze.

"We still don't know why they picked us," he said recently, passing a hot summer's afternoon on his front porch. "This just used to be a bad, bad place for the Ku Klux."

Now, more than 40 years later, the flames of racial hatred — more than three dozen arson attacks at black churches in the past 18 months — still disturb him. "You know I've got to be concerned, because we just don't know where this is coming from," Reverend Caldwell said.

When the Olympic Games begin this week in Atlanta, barely 100 miles (about 160 kilometers) east of here, the world will behold one vision of the South: a modern, gleaming city that symbolizes racial harmony, that proclaims itself "too busy to hate." The church burnings present a different, more disturbing vision to African Americans, one in which race hatred is very much alive.

Between those two extremes lies the

complicated reality of the way white people and black people relate to one another in Lineville, population 2,394.

Lineville has changed enormously from the days when a black person who walked into a white church would be asked to leave — and a black person who tried to vote or go to school like white people would be dealt with rather more harshly. It is now a place where blacks and whites can cheer an integrated football team, where they can shake hands at graduations and groundbreakings, where they can form lifelong friendships.

But it is still a place where blacks fear being caught alone in some areas, like the tiny settlement north of town called Shindone, because of passed-down stories of harassment or even lynchings. It is still a place whose modest wealth is concentrated in white hands; a place where both blacks and whites agree there are still at least some white racists "out there" somewhere, unlightened, unreformed, unforgetting.

"Some of the white people just can't turn it loose; they just hate blacks," Mr. Caldwell said. "But we're not going back to those old days. Those old rough-necks might as well get used to it."

Lineville, in fact, has been subject to powerful trends that have altered the fabric of life throughout the rural South over the past decade, changing the way people live, the way they work, the way they think about themselves and their neighbors.

"You know, the world is changing," said David Proctor, who succeeded his father as editor and publisher of the weekly Clay Times-Journal newspaper. "And we've got to be able to adapt to those changes — even here in Lineville, Alabama."

About 60 percent white and 40 percent black, Lineville used to be a farming community. But hardly anyone can make a decent living on a family farm these days. Most people work in the

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## AGENDA

### U.S. Slams Cuban Communism

On the eve of a decision by President Bill Clinton on enforcement of new sanctions against companies doing business in Cuba, the White House spokesman, Michael McCurry, called Monday on European allies to join the United States in relegating Cuban communism to the "trash bin of history."

Asked about the possibility that European allies might retaliate if the United States did not waive a key element of the Helms-Burton law against Cuba, Mr. McCurry said: "We would say to our allies: Join us now in the effort to confine Cuban communism to the trash bin of history where it belongs."

But in Brussels, EU members promised swift retaliation if the legislation is enacted. They identified a list of countermeasures, including legislation that would bar EU companies from complying with the sanctions. Page 7.

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### An American Is Slain in Cairo

Agence France-Presse

**CAIRO** — A 56-year-old American tourist was stabbed to death Monday by an Egyptian assailant outside a hotel in Cairo, a police spokesman said.

The woman was stabbed in the back as she stood outside the Semiramis Hotel on the banks of the Nile river in central Cairo, the police said.



## Combines for Ukraine / Private Farmers Lose

## U.S. Backs the Old Soviet Way

By Jane Perlez  
New York Times Service

**B**ASHTANKA, Ukraine — Across Ukraine, great plains of tall, tawny wheat are ripening under hot skies and gentle breezes in what was once the breadbasket of the Soviet Union.

Sergei Arkhipov, one of the nation's new breed of private farmers, is excited by the prospects of a good harvest for himself and the nearly 1,000 other private farmers in the region. But not everything is going his way this season.

Mr. Arkhipov and his colleagues, who have deserted the large, inefficient state farms to blaze their own path to agricultural entrepreneurship, have been shut out, he said, from receiving any of the 600 American combines that are arriving in Ukraine. The state-of-the-art John Deere machines are far superior to the old Soviet ones, which leave on the ground up to 30 percent of the grain they harvest and thresh.

The new American machines have been going to a state-controlled company that is reselling them, or trading them for grain, to collective farms and government-run agricultural centers.

The transaction was facilitated by the Clinton administration, even though critics say it goes against the stated thrust of American policy, which has been to prod Ukraine to adopt a market economy.

The deal, completed earlier this year, is the biggest single export sale ever by John Deere. Altogether, the Illinois-based farm machinery giant is selling Ukraine 1,049 combines for \$187 million.

The sale pleased the Clinton administration because it represented exports and jobs for an American company, as well as support for a country newly independent of Russia that was giving up its nuclear warheads.

And the deal would not have been possible if the Export-Import Bank, an arm of the U.S. government that helps finance American exports, had not opened up its credit windows to Ukraine, which it did after persistent pressure from the White House.

Now, instead of promoting private agriculture, say the critics, who include some American and World Bank officials as well as Ukrainian farmers and Western agricultural experts, the John Deere deal is reinforcing the old collective farm system, run by corrupt agricultural bosses.

When the Deere sale was still under discussion, the World Bank representative to Ukraine, Daniel Kaufman, bluntly told American Embassy officials in Kiev that it "flew in the face" of economic reform in Ukraine.

**M**r. Kaufman, a strong advocate of private investment in Ukraine, said he was troubled that all the combines were being sold to a single state-controlled company with close connections to the state agricultural administrators and provincial farm bosses, the most politically and economically regressive elements in Ukraine.

David Sweeney, a Minnesota agribusinessman who is investing \$25 million in agricultural operations in Ukraine, called it "the recapitalization of communism."

He said the deal could have been structured so that individual farmers or farm organizations were given credit to buy the combines.

Since achieving independence in 1991, Ukraine has received nearly a billion dollars from the U.S. Agency for International Development and other Washington agencies. Today Ukraine is the third-largest recipient of American aid, after Egypt and Israel.

The aid has been intended to turn the government away from central planning and toward a market economy, particularly in agriculture, which is one of the country's most important sectors.

But Ukraine's leaders have not always been committed to economic liberalization. Their weak economic performance and their default in 1993 on a \$70 million, Export-Import-backed loan to the agricultural sector prompted the bank to suspend loan guarantees for Ukraine.

As a result of the Ex-Im Bank's policy, many American companies were reluctant to invest, in spite of the potential offered by the Texas-size country with 52 million people.

When Leonid Kuchma was elected president in mid-1994, he appeared to be a stronger reformer than his predecessor, and he beseeched Washington to restore Ukraine's access to the Ex-Im Bank, something the White House also wanted.

A "classic Washington bureaucratic battle" followed, said one official familiar with the discussions within the administration. Some Washington officials remained skeptical about Ukraine's commitment to economic reform and were disturbed about its high level of corruption. Others argued that it was important to reward Ukraine for its tentative steps toward reform.

There was also desire to shore up Ukraine's independence from Russia and to ensure that Ukraine finished dismantling its nuclear arsenal. These issues were behind President Bill Clinton's visit to Kiev in May 1995, and it was felt that he had to offer more than words of encouragement.

He did. The Export-Import Bank would be open for



John Deere combines



**John Deere combines are arriving in Ukraine and going to state-run collectives, angering private farmers, like the man above, who say they have been shut out of the program.**

credit to Ukraine, he announced during the visit. A few months later, John Deere and Ukraine reached an agreement in principle and began working on the details.

"The idea was that this was a way of showing Ukraine how to make money money," a Washington official said. It was "a political decision" to go ahead with the Ex-Im loan, the official said. "The banker's caution of Ex-Im was overruled."

There is another disturbing aspect of the deal, free-market advocates say. The company that bought the combines, which is 77 percent owned by the state, did so without competitive bidding, even though Ukrainian law requires tenders for all government purchases of more than \$100,000.

The company, Ukragroprombiznes, is headed by Viktor N. Tymchenko, a somewhat mysterious figure.

Ukrainians and Western diplomats said that Mr. Tymchenko, whose calling card describes him as an "honored economist of Ukraine," has long been a behind-the-scenes power in the Agriculture Ministry, and his friends are collective farm directors and provincial leaders.

**A**CCORDING to the Ex-Im Bank, the precise numbers and kinds of farmers who would use the combines are considered proprietary information. But a spokeswoman, Rita Flynn, said it would be inaccurate to say that the combines would not benefit the private sector. She added that the deal met the bank's criteria of reasonable assurance of repayment and promoting jobs in the United States.

Mr. Tymchenko said through a company partner that he was too busy to be interviewed. But in an interview with a Ukrainian magazine, Mr. Tymchenko said that the combines would be sold to farmers for \$252,000 each.

This would net a profit of about \$50,000 on each machine, according to the calculations of an American farmer in Ukraine, Charles Mitchell.

A John Deere executive, Rudolf Steffenhagen, who has been handling the contract in Kiev, said the company had no say over how Mr. Tymchenko disposed of the combines.

"He knows his friends," Mr. Steffenhagen said. "When you look at the map of where the machines are going, he must have an agreement with all the oblast chiefs," the government leaders in the provinces. "They think along the lines of the old Soviet system. That's O.K., if they think that's best."

So far, nearly all of the combines have been sold to collective farms or to state-run agricultural centers, which lease machinery to farmers, say Western officials in Kiev. Mr. Arkhipov believes that the private farmers will eventually prevail against the collective farms, like the one in his village. But the John Deere deal, he said, prolongs the death throes.

## Danes Push Their Cycles Ever Harder

## Copenhagen Unveils New Anti-Car Plan

By Dean E. Murphy  
Los Angeles Times Service

**COPENHAGEN** — Riding a bicycle in the Danish capital during rush hour is out for the faint of heart.

Throats of self-propelled commuters lie up spoke-to-spoke at stoplights, first jockeying for position, then buzzing off like a swarm of bees when the signal turns green.

Rain or shine, the city's labyrinth of bike paths — some with double turn lanes to accommodate the crush of two-wheelers — is jammed with workers in crumpled suits, flapping skirts and the occasional pair of spandex tights.

About one in three commuters pedals to work, placing Copenhagen among a select group of European cities that have painstakingly broken the 20th-century reliance on motorized urban transport.

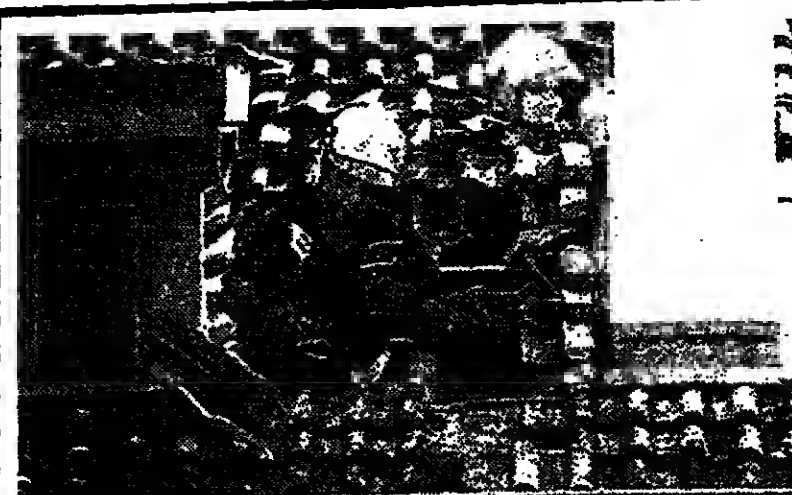
But the Danish government says the achievement is not good enough.

Under an ambitious national traffic plan, in the next 10 years thousands of cars will be relegated to the garage each day to relieve crowded streets, improve the environment and get Danes in better physical shape.

The plan calls for four of every 100 miles now traveled in automobiles to be shifted to bicycles or foot. The goal sounds modest, but in practical terms it is extraordinary: It is equal to scrapping two out of three automobile trips under two miles, according to a study of two Danish cities.

Despite the remarkable biking tradition here — there are 4.2 million bicycles among 5.2 million people — there is concern that the target may be unrealistic, even for cycle-happy Danes.

"We have to change the conditions of bicycle riding and people's attitudes toward bicycles, or the plan won't hap-



Firemen in Annecy removing roof tiles broken by the quake Monday.

## Mild Quake Jolts French Alps

Reuters

**GRENOBLE, France** — A mild earthquake caused damage but no serious casualties in the French Alps early Monday, the police said.

The quake, measuring 5.3 to 5.5 on the Richter scale, was the strongest in 30 years in the Savoie and Haute Savoie regions.

The epicenter was 30 kilometers (19 miles) northeast of the tourist town of Annecy, where residents rushed into the streets as the 30-second quake sent roof tiles crashing down and cut electricity at 2:14 A.M.

Local officials said there was a

weak second quake. Police and fire services were inundated with calls, but the damage was largely confined to cracks, shattered windows and fallen roof tiles. Only one person was injured, by flying shards of glass.

The quake, the fourth since 1994, was reported felt in the neighboring Ain, Isère and Rhône departments and as far as Geneva.

"Geophysicists know this rift well — the Vuache rift — although it has not been very active in the past," said a geophysicist Georges Poupinet.

It is situated where the Adriatic plate pushes against the European plate beneath the Alps.

pen," said Puk Nilsson, a traffic specialist for the Transportation Ministry. "Our research shows it is possible, but it requires a different way of thinking."

Denmark has long been ahead of the pack when it comes to riding bicycles for more than recreation.

There is a pedal-friendly, flat terrain; Danes place a high value on the environment, and the bike has historic roots dating to the turn-of-the-century founding of the Danish Cyclist Federation, the oldest such advocacy organization in Europe.

On a typical day, adults make about 2 million bicycle trips covering about 3.7 million miles, according to government statistics.

But after huge gains in the 1970s and 1980s, bike riding has been stagnant for the last decade while automobile traffic has increased by more than 40 percent. Many Danes, it seems, have had their fill of human-powered transport and are reluctant to further forgo the comforts and convenience of cars.

"It is a lot cheaper now to own a car than just 10 years ago, and the price of gasoline has not increased over that time," said Tina Reichstein of the cyclist-led federation. "We are a bit frustrated by it all."

A recent study by the Danish Road Directorate found that many would-be cyclists are turned off by the overwhelming presence of cars.

Denmark has thousands of miles of bike lanes and "tracks" — paths separated from roads by curbs — but they are not maintained well enough or considered sufficiently safe, the study showed.

Indeed, bicycling in Denmark is a hazardous undertaking. A survey of accidents between 1986 and 1992 showed that, on a per-mile basis, bicyclists were four times more likely to die than motorists.

To overcome such concerns, traffic planners are mulling over new restrictions on cars, ranging from reduced speeds to outright bans in city centers. Officials also have started programs to make bicycles more convenient. Fifty companies in Copenhagen, for example, recently were given bicycles with which employees could run errands, instead of using taxis. In Aarhus, in the north, 200 commuters received bicycles, gear and — in case of bad weather — bus passes in an experiment aimed at reducing congestion.

## TRAVEL UPDATE

## Italian Airport Strike

**ROME (AP)** — Dozens of flights were canceled or delayed Monday during a four-hour strike by baggage handlers and other ground workers at Italian airports. Union officials later called a 24-hour strike by ground workers for Aug. 8.

At Rome's Leonardo da Vinci airport, about half of the 40 departures or arrivals of domestic flights were canceled, while six international flights were scratched and 30 delayed.

## Tourism in Jericho

**JERICHO, West Bank (AP)** — Tourism is enjoying a gentle revival in Jericho, the world's oldest town, but a potential boom is already being threatened by a lack of facilities.

Jericho officials said the town currently only had 38 hotel rooms, although they said this is expected to rise to 455 rooms in 1997 after the completion of a range of hotel projects, including a \$150 million tourism village.

At least six people have died among 227 new cases of dengue fever reported in the Philippines to the first two weeks of this month, officials said. (AP)

Mount Ruapehu, a volcano in the center of New Zealand's North Island, pumped out huge clouds of ash Monday as it burst back to life after several days of slumber. (Reuters)

Airlines in Ghana and Malaysia have been granted approval for flights to the United States. (AP)

## WEATHER



Europe	Today High/Low C/F	Tomorrow High/Low C/F	Forecast for Wednesday through Friday, as provided by AccuWeather.		Asia	Today High/Low C/F	Tomorrow High/Low C/F			
Algeria	25/77	18/64	26/82	15/64		Bangkok	30/81	25/77	31/88	25/77
Amman	25/77	18/64	26/82	15/64		Beijing	29/81	24/77	30/88	20/77
Ankara	26/81	17/62	26/81	15/64		Hong Kong	29/81	24/77	31/88	20/77
Athens	23/81	20/59	23/81	20/59		Jakarta	30/81	25/77	31/88	25/77
Bahia	27/82	22/72	27/82	22/72		Kuala Lumpur	30/81	25/77	31/88	25/77
Batavia	26/81	19/59	26/81	19/59		Manila	30/81	25/77	31/88	25/77
Bombay	26/81	19/59	26/81	19/59		Medan	30/81	25/77	31/88	25/77
Buenos Aires	26/81	19/59	26/81	19/59		Moscow	29/81	24/77	30/88	20/77
Calcutta	26/81	19/59	26/81	19/59		Nagpur	30/81	25/77	31/88	25/77
Chennai	26/81	19/59	26/81	19/59		Patna	30/81	25/77	31/88	25/77
Dakar	26/81	19/59	26/81	19/59		Shanghai	29/81	24/77	30/88	20/77
Dhaka	26/81	19/59	26/81	19/59		Singapore	30/81	25/77	31/88	25/77
Dubai	26/81	19/59	26/81	19/59		Taipei	29/81	24/77	30/88	20/77
Edinburgh	26/81	19/59	26/81	19/59		Tokyo	30/81	25/77	31/88	25/77
Frankfurt	26/81	19/59	26/81	19/59		Ulaanbaatar	29/81	24/77	30/88	20/77
Geneva	26/81	19/59	26/81	19/59		Yokohama	30/81	25/77	31/88	25/77
Helsinki	26/81	19/59	26/81	19/59						
Istanbul	26/81	19/59	26/81	19/59						
Jakarta	26/81	19/59	26/81	19/59						
Jeddah	26/81	19/59	26/81	19/59						
Kuala Lumpur	26/81	19/59	26/81	19/59		Buenos Aires	30/81	25/77	31/88	25/77
London	26/81	19/59	26/81	19/59		Calcutta	30/81	25/77	31/88	25/77
Los Angeles	26/81	19/59	26/81	19/59		Chennai	30/81	25/77	31/88	25/77
Madrid	26/81	19/59	26/81	19/59		Dhaka	30/81	25/77	31/88	25/77
Manila	26/81	19/59	26/81	19/59		Edinburgh	30/81	25/77	31/88	25/77
Moscow	26/81	19/59	26/81	19/59		Frankfurt	30/81	25/77	31/88	25/77
Nagpur	26/81	19/59	26/81	19/59		Geneva	30/81	25/77	31/88	25/77
Patna	26/81	19/59	26/81	19/59		Helsinki	30/81	25/77	31/88	25/77
Peking	26/81	19/59	26/81	19/59		Istanbul	30/81	25/77	31/88	25/77
Rangoon	26/81	19/59	26/81	19/59		Jakarta	30/81	25/77	31/88	25/77
Riyadh	26/81	19/59	26/81	19/59		Shanghai	30/81	25/77	31/88	25/77
Singapore	26/81	19/59	26/81	19/59		Singapore	30/81	25/77	31/88	25/77
Taipei	26/81	19/59	26/81	19/59		Taipei	30/81	25/77	31/88	25/77
Tokyo	26/81	19/59	26/81	19/59		Tokyo	30/81	25/77	31/88	25/77
Ulaanbaatar	26/81	19/59	26/81	19/59		Ulaanbaatar	30/81	25/77	31/88	25/77
Yokohama	26/81	19/59	26/81	19/59		Yokohama	30/81	25/77	31/88	25/77

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## THE AMERICAS

# Democrats Try to Close Senate Gap

## But Number of Retirements Will Keep the Battle Uphill

By Helen Dewar  
Washington Post Service

WASHINGTON — Less than a year ago, Republicans were on a roll, and some of the Senate's best Democratic vote-getters were headed for retirement. Senate Democrats were braced for crushing losses in this November's elections.

But now, as Republican fortunes falter in Congress and President Bill Clinton hits the presidential campaign trail, Democrats are back in the action and closing the gap in many races — even in the South, where they had worried about a wipeout.

Their fears of a sharply wider Republican majority in the Senate have receded.

But Democrats still face an uphill fight to regain control of the Senate this fall, largely because of the problem they have had from the start: the planned retirement of eight incumbents, many of them from states that could easily go Republican without their names on the ballot.

Democratic takeover of the Senate next year is no longer impossible, but it remains a long shot, Republicans and some Democrats agree.

Senator Patrick J. Leahy, Democrat of Vermont, who accurately foresaw the outcome of the 1994 Senate elections, said, "I didn't think we had any chance at all last year. But if President Clinton runs strong, not just as the lesser of two evils but as a strong positive force, then there is a chance we could take back the Senate."

With Republicans controlling the Senate, 53 to 47, Democrats need to pick

up only four seats — or three if the vice president, who casts tie-breaking votes in the Senate, continues to be a Democrat — to win control of the chamber. Of the 34 seats at stake in this year's elections, Democrats are defending 15, while the Republicans are defending 19, which would ordinarily give the Democrats an edge. But Democratic retirements in states where the party is shaky more than double the number of seats the Democrats will have to



scramble to win to regain control of the Senate. Republicans contend, with some justification, that they are better poised than the Democrats to retain their open seats, six in all, most of them in Republican-leaning states.

Democrats are nonetheless looking stronger than they were only a few months ago in some of these states, including several in the increasingly Republican South, and they have hopes of capitalizing on Republican vulnerabilities in other states, ranging from Oregon to New Hampshire.

Reasons for the Democrats' rising hopes include Mr. Clinton's early lead over the expected Republican nominee, Bob Dole, with polls indicating that voter support for Republicans has declined since their sweep of both houses two years ago, and some polls pointing to early leads for Democrats in states that initially seemed ripe for capture by Republicans.

One of the main problems for prognosticators, as Mr. Leahy's comment

indicated, is that it is not yet clear whether a real Democratic resurgence, from the top of the ticket on down, is at hand.

Many Senate races have been so slow to tell that it is not even clear where some of the real battlegrounds will be.

And with candidates in both parties wondering whether Mr. Dole will catch fire and close in on Mr. Clinton's current double-digit lead in the presidential race, they seem to be maintaining a respectful distance from their standard-bearers, adding to the campaign's fuzzy focus.

In many states, candidates are trying to occupy the middle ground and portray their rivals as liberal or conservative extremists, blurring some of the sharp distinctions of the 1994 congressional races.

Nor do there yet seem to be riveting national issues that resonate enough beyond state borders to bolster one party or the other as a whole, campaign strategists say.

Two years ago, the campaign was resonating with arguments about "gays, guns and God" and whether the Democrats had been in power too long in Congress, said Steve Jarding, spokesman for the Democratic senatorial committee.

Now "it's more what are you doing for me" on issues ranging from student loans to Medicare, he added, insisting that traditional bread-and-butter issues are playing stronger this year than they did two years ago.

"I've seen very few national issues emerging. It's a state-by-state battleground," said John Heubusch, executive director of the Republican senatorial committee.

# Arkansas Governor Refuses to Resign

The Associated Press

LITTLE ROCK, Arkansas — Governor Jim Guy Tucker of Arkansas, who had announced his resignation after his conviction in a Whitewater case, surprised the state Monday when he stepped aside but refused to resign.

Mr. Tucker invoked a clause in the state constitution that will make the lieutenant governor merely an "acting governor" and allow him to regain his office if his Whitewater convictions are overturned on appeal.

The state attorney general, Winston Bryant, later said he would sue to remove Mr. Tucker from office.

Mr. Tucker said his convictions amounted to a temporary disability — a clause in the Arkansas constitution more commonly applied to leaders with health problems.

He said he told Lieutenant Governor Mike Huckabee about his refusal to resign only 10 minutes before the Re-

publican was to have been inaugurated.

Mr. Huckabee did not take the oath of office but did address the legislature, beginning with a joke: "Is there something going on here this afternoon that I need to know about?"

Mr. Tucker said he changed his mind because he believed he would win his appeal, based on the fact that one of the jurors who convicted him turned out to be related to a well-known anti-Tucker activist. A hearing is scheduled for Aug. 19.

"I don't know how I would explain two weeks from now," Mr. Tucker said, "if the elimination of the verdict would eliminate the reason for my resignation." He added however that he was inactive "as of right now."

Mr. Huckabee gave up his own Senate race, though he was leading in the polls, to take over the Democratic governor's job.

"We have certainly maintained that

the circumstances surrounding my

swearing-in should not be a time for a gala celebration," Mr. Huckabee said last week. "That is not to infer that we are not to even acknowledge to the people of our state that a change in administration is taking place."

If Mr. Tucker's conviction is set aside, he can claim his disability is over and reclaim the office, according to the constitution. "If the verdict is sustained," Mr. Tucker said, "then my resignation is hereby effective at that time."

Mr. Tucker, 53, had said earlier he would resign after he was convicted May 28 of fraud and conspiracy at the end of a 13-week trial. The governor and James and Susan McDougal were accused of scheming in the mid-1980s to make illegal loans.

The governor could be sentenced to up to 10 years in prison on Aug. 19 if his appeal is denied.

# Wanted: No-Hassle Manhattan Flats

By Kirk Johnson  
New York Times Service

NEW YORK — Finding a rental apartment in Manhattan has become as complicated as ever.

And in many buildings and neighborhoods, it is even more costly than it was in the mid-to-late 1980s, when soaring rents and prices, sprouting condominium towers and co-op conversions helped define the character of an economic boom.

New York is not by most measures, having another economic boom right now, and that is where this apartment crunch gets interesting: The smoke is back. Without the fire. But this historical echo of the 1980s economy has resurrected a psychology and culture of real-estate obsession that had seemed all but extinguished. Finding a Manhattan apartment has once again become a defining New York experience.

"It's horrible, basically," said Ji Lu, a law student at New York University who, along with two roommates, had to sign over more than \$11,000 in brokers' fees and security deposits — much of it borrowed from parents — last week in hopes of getting a three-bedroom, \$3,000-a-month apartment in Greenwich Village. And they still weren't sure, until the lease was signed and back in their hands on Friday, that they would get the apartment at all. Landlords, because they can be choosy, are setting higher credit hurdles, like financial guarantors and multi-month security deposits, for would-be tenants.

What has happened to the apartment market, real estate professionals, tenants and landlords say, is in many ways a mirror image of the 1980s housing crunch. Then it was a matter of too much demand as businesses expanded and hired; the tale now is of constricted supply, with not enough apartments to go around despite what is still only a

shallow economic recovery from the region's deep recession in the early 1990s.

But the root of the supply constriction is also connected to what is perhaps an even more fundamental change, in who owns New York's apartments and how

**What this means is that the free market is now setting rental rates for much of Manhattan — a major change in itself for a city that has lived for more than half a century with rent controls.**

much they can charge in rent. The co-op and condo-crazed 1980s created a new class of owned housing in New York, especially in Manhattan. Of the 783,266 housing units in the borough counted by the city in a survey in 1993, just under 231,000, or about 30 percent of the total, were condos or co-ops, compared with about 17.7 percent condos or co-ops for the city as a whole.

And during the recession, many of the condo and co-op owners — institutions as well as individuals — became members of a new landlord class, as they were forced to rent out apartments that could not be resold.

The economic recovery in the city, beginning in 1993, closed those two forces like a pincer. Some co-op and condo units that had been for rent finally began to sell to new owner-occupants — thus shrinking the supply. And because a majority of the remaining available rental stock was still composed of co-ops and condos, which are beyond traditional rental buildings, the shrinkage of supply drove rents as high as the market would bear.

What this means is that the free market is now setting rental rates for much of Manhattan — a major change in itself for a city that has lived for more than half a century by the rhythms and rules of the

rent laws. At Feathered Nest Inc., one of the city's largest rental brokers, more than half of the available rental stock now consists of condos and co-ops.

And all that has brought back almost-forgotten modes of behavior, as well as a cast of familiar characters.

The manipulative apartment broker with ultimate power over one's fate has made a triumphant return, for example. He has been spotted demanding that apartment-seekers spring for cab fare to travel around the city, saying he is short on cash and it will be taken out of his 15 percent broker's fee when the deal is closed. And the imperious co-op board is stirring once again as well, reasserting, in a quickened market, its power to deny admission after years of market-driven obsequiousness.

But there are some 1990s updates as well. The old 1980s ritual of combing The Village Voice classifieds on Tuesday night in preparation for Wednesday morning calls moved this spring into the realm of cyberspace.

The paper's classifieds now go on line on the Internet at 1:30 P.M. on Tuesday, giving the electronically aware a crucial five- or six-hour jump on the competition. And for those planning on sharing space, a new company has popped up, supplying temporary rented walls to subdivide small spaces into even smaller ones.

The renters themselves are landing in situations that are far different from their 1980s predecessors. Market-determined rates, at least in this market, only go up. At a new apartment building on Jane Street in Greenwich Village, for example, a one-bedroom that could have been rented in early June for \$1,700 a month now goes for \$1,850, while studios jumped from \$1,200 to \$1,400.

"It's the tightest it's ever been, and most of it is in the free market," said a property manager.

# Outflanked, School Agrees to Draft a Coed Plan

Washington Post Service

LEXINGTON, Virginia — The governing body of the Virginia Military Institute has voted to develop a plan for admitting women to the all-male military college, following a Supreme Court ruling that its exclusion of women is unconstitutional.

After three days of closed sessions, the 17-member Board of Visitors has announced that its task now was "to identify the means by which VMI's unique educational benefits can accrue to both

young men and young women."

The action was the college's first official response to the landmark court decision in June disallowing the 157-year-old policy of excluding women.

Board members said they could not pursue on their own the option of retaining the school's all-male status by converting it from a state-supported college to a private one.

Instead, they put the onus on the school's alumni to study that possibility, saying that they will consider such a

proposal if the alumni could offer one before the board's next official meeting, Sept. 21.

Even if the board accepted a plan for privatization, it would need approval from the state legislature.

The board's vote move VMI closer to coeducation than school officials had predicted earlier this week. The school's directors said they would reconvene this month to work on a coeducational plan. The earliest that women could be admitted is the fall of 1997, officials said.

## POLITICAL NOTES

## White House Scoop-of-the-Day

WASHINGTON — It is a phrase that few reporters can resist: "President Clinton is to announce today..." And the White House has deftly exploited this journalistic desire to be first by leaking word of various initiatives to selected news organizations.

The result: a two-day media bounce for developments that probably wouldn't make the front page as a routine announcement, or might vanish without a trace.

On Thursday, USA Today gave front-page play to a report that Mr. Clinton "today will unveil a four-year, \$5 billion initiative to help school districts build new schools and renovate aging buildings." Eight days earlier, the newspaper gave similar display to a report that Mr. Clinton "today will call for tougher treatment of students who ditch class." This, it turned out, was merely an advance peek at a presidential speech to the National Education Association.

Last Monday, it was The New York Times's turn for the page-one scoop: "President Clinton will announce today the creation of a federal computer system to track the illegal sale of guns to young people." The announcement led the "CBS Evening News" that night, although subsequent reports noted that the initiative was similar to an administration program launched more than two years ago.

The White House press secretary, Michael McCurry, said the administration was paring out "tidbits" in an effort to "get people to pay attention" to its policies.

The headlines will only linger for one very brief cycle unless you find a way to keep it in front of the American people" for a longer period of time "before Rush Limbaugh and everyone else starts telling people what to think about it," he said. (WP)

## Hillary and Chelsea as Speakers

WASHINGTON — Officials planning the Democratic national convention are debating two ticklish first family issues: Should Hillary Rodham Clinton be given a prominent speaking role, despite the political controversies that surround her? And should Chelsea Clinton address the delegates, despite the Clintons' insistence on protecting their daughter from the spotlight?

Those who are pushing for Mrs. Clinton argue that she is a skillful speaker whose presence on the podium would help the party articulate its themes and energize the critical women's vote. They add that it would be especially appropriate since Chicago is the first lady's hometown.

White House and party officials said there had also been informal discussions about a role for the least controversial member of the first family, 16-year-old Chelsea. Such an event would be a public coming out for the Clintons' only child, who has been shielded from reporters and kept out of the public's view for most of her life. People close to the president said Chelsea, who has proved to be a forceful speaker at private gatherings like Renaissance Weekend, has pressed for a role.

Some within the party are wary about Mrs. Clinton's taking on a high profile role at the convention next month. They are concerned that by making her more visible, she would become a larger target for her critics and that her liberal image would jar the centrist message that Mr. Clinton is crafting. They also worry that the timing could be dubious if new damaging disclosures emerge in the Whitewater case that has enmeshed Mrs. Clinton.

Harold M. Ickes, the deputy White House chief of staff who is overseeing planning for the convention, which opens Aug. 26, emphasized that no decisions had been made and that he had not discussed those possible speaking roles with the Clintons, who would ultimately decide. (NYT)



Majority Leader Lott making a point on TV Sunday.

## Quote/Unquote

Trent Lott, the Senate majority leader, holding Democrats responsible for the halting pace of legislative action in Congress: "To my shock, all of a sudden, I've found that everything was being blocked, and I saw, for the first time, it looked to me that there was planned gridlock in the Senate to not allow us to do the business of the American people." (WP)

## Away From Politics

• New York state has started seizing half the winnings of lottery winners who have spent public assistance dollars on games of chance. The computer-aided crackdown is based on a state "windfall" regulation. (AP)

• A United Airlines 757 jet made an emergency landing after an engine compressor stalled. The jet, en route from Miami to Denver with 171 passengers and eight crew members, landed in Wichita, Kansas. (AP)

• A 7-year-old Brazilian boy fell off his bicycle into an Everglades canal and was bitten by an alligator before his parents jumped in and pulled him loose. Alexandre Teixeira, of São Paulo, was hospitalized in stable condition with puncture wounds to the shoulder and chest. (AP)

• A young man who was "subway surfing" by riding atop a subway train in the Bronx was killed when he hit a signal light and was hurled onto the tracks, the police said. (NYT)

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## ASIA/PACIFIC

# Peace Bid for Koreas Gets a Breath of Life

By Mary Jordan  
and Kevin Sullivan  
Washington Post Service

TOKYO — W. Anthony Lake, the U.S. national security adviser, said Monday that he was buoyed by a Chinese endorsement of a plan for North and South Korea, the United States and China to engage in "four-way" discussions of a permanent peace on the divided Korean Peninsula.

China is "ready to take part," Mr. Lake said, speaking at the end of an Asian trip after meeting with Chinese, South Korean and other Asian leaders.

Three months after President Bill Clinton and the South Korean president, Kim Young Sam, first proposed the talks, North Korea still has not said whether it is ready to take its seat at the table.

"We did not expect an immediate answer," Mr. Lake said, adding that the United States has since tried to be more specific with North Korea about the agenda, scope and purpose of the talks. "We are encouraged that North Korea is discussing it" and has not rejected the idea, he said.

The peace-talks proposal is part of a larger U.S. strategy to engage North Korea in the outside world. Since the end of the Korean War, U.S. policy toward North Korea has been built around maintaining a large enough military presence in South Korea and elsewhere in the region to deter any possible military action by North Korea.

But in 1994, the United States persuaded North Korea to drop its suspected nuclear weapons program in exchange for new, less-dangerous nuclear reactors and shipments of fuel oil. As further enticement, the United States also agreed to ease its economic sanctions on North Korea, allowing some telecommunications links with North Korea and the importation of some North Korean mineral ore. This year, the United States has provided more than \$3 billion in aid to combat severe food shortages.

Mr. Lake said malnourishment in North Korea is "serious" and that American leaders have received "anecdotal evidence of very grave hunger" in parts of the country. "None of us can quantify it with any precision," he said.

It is impossible to verify recent reports of serious privation from defect-

ors, and their stories generally are received with reserve by serious intelligence analysts. But a growing number of defectors are telling similar dire stories, and their accounts generally agree with stories told by humanitarian aid workers permitted inside North Korea.

North Korea now is also showing greater willingness to deal with the outside world, particularly in its pursuit of foreign investment. A clear sign of that came Monday when Kim Jong U, a top economic adviser to Kim Jong Il, appealed to a group of Japanese businessmen in Tokyo to invest in the Rajin-Sonbong Free Trade Zone near North Korea's border with Russia and China.

Mr. Kim said 49 companies had already agreed to invest \$350 million. South Korea's giant Samsung Corp., for one, plans to invest about \$7 million in telecommunications, he said.

Mr. Kim told reporters in Tokyo that he is telling potential investors that the North Korean government does not intend to interfere in the business practices of investors who locate at Rajin-Sonbong. He said he is carrying that message to investors in at least four other cities in the next several days.



Gatherings of Hindu pilgrims, here in Bombay, took place at holy sites in India on Monday.

# Stampedes Kill 58 At Shrines in India

The Associated Press

NEW DELHI — At least 58 pilgrims were killed Monday during stampedes at two overcrowded Hindu shrines during a religious festival.

Thousands of people were pushing into a temple in the holy city of Ujjain, in Madhya Pradesh state, when the crowd went out of control, the Press Trust of India and United News of India news agencies reported.

Bamboo barricades set up to keep back pilgrims broke, and 37 persons were killed and 40 injured, some when they were crushed and some when they fell on the bamboo stakes, the police told United News. Others slipped on a narrow marble staircase leading to an underground idol of Shiva.

In the holy city of Hardwar, 200 kilometers (125 miles) north of New Delhi, where about 1.5 million Hindus gathered for ritual bathing in the Ganges River, 18 women, 2 men and 1 child were killed as pilgrims pushed through a narrow bridge, the Press Trust reported.

Overcrowding at Indian shrines often has led to tragedy. The pilgrims had gathered for the festival of Somavati Amavasya, keyed to the new moon and especially relevant to devotees of Shiva, one of Hinduism's principal deities.

Indian astrologers believe that Mars crosses through the zodiacal sign of Gemini on Monday and makes people vulnerable to problems, and some Hindus seek Shiva's help to avoid difficulties, said K.N. Rao, a professor of astrology at a New Delhi college.

Ujjain, 750 kilometers south of New Delhi, has special significance for followers of Shiva and is one of the seven most sacred cities of Hinduism.

Hardwar is where the Ganges, which originates in the Himalayas, begins its journey across the plains.

## BRIEFLY ASIA

## A Renewed Interest in Afghanistan

BOON — The United States and Russia, longtime rivals in Afghanistan, are showing a renewed interest in the war-torn country that could help it inch toward peace, the new UN special envoy said Monday.

But the Kabul government is still too shaky to implement any overall peace plan soon, said Norbert Holl, a German diplomat.

However, Mr. Holl said growing outside economic interest in the region had added a new dimension to a country at war since 1979, and "could have a positive and moderating effect."

## Court Rejects Demands to Arrest Rao

NEW DELHI — The Delhi High Court on Monday rejected demands by a group of lawyers that former Prime Minister P. V. Narasimha Rao be arrested in connection with an extortion case.

The case, which has sparked a challenge to Mr. Rao's leadership of the Congress (I) Party, involved an expatriate Indian who said he paid money to Chandraswami, a guru and friend of Mr. Rao's, in a failed attempt to win a state contract in the early 1980s.

Mr. Chandraswami was arrested in May on extortion charges. A High Court judge, N. G. Nand, dismissed an argument that Mr. Rao must be arrested in the case because Mr. Chandraswami was.

## For the Record

About 135 people were feared dead and some 1.9 million made homeless in eastern India and Bangladesh by floods and landslides after four days of torrential monsoon rains.

President Suharto of Indonesia returned to work Monday after a week-long medical checkup in Germany where doctors gave him a clean bill of health.

## VOICES From Asia

Chris Patten, governor of Hong Kong, after a trip to persuade Europe to grant visa-free entry to Hong Kong citizens after the British colony is handed back to China next year: "I have to say that there's quite a hill for us to climb in Europe. We've got quite a bit of lobbying to do to the capitals of the member states, and we'll be doing as much as we can over the coming months in Europe as well as elsewhere in the world."

Ian McLachlan, the Australian defense minister, on plans to ensure security in the Asia-Pacific region: "We must have the military capability to prevent any credible aggressor from attacking us successfully in the sea and air approaches, or from gaining a foothold on our territory, or trying to extract political concessions from us by force."

# Japan Ties 3,800 Illnesses To School Lunch Eel Sushi

Washington Post Service

TOKYO — A contaminated batch of eel sushi served in school lunches is being blamed for an outbreak of food poisoning that has sickened nearly 3,800 children in an industrial port city near Osaka.

All 92 schools in the city of Sakai were closed Monday, and crews in protective suits moved in to disinfect them. The outbreak became public Friday, and children were falling ill throughout the weekend. One second-grader boy is critically ill, more than 200 have been kept in the hospital, and the rest are suffering from high fevers, vomiting, and diarrhea.

Japan has been hit by a string of food poisoning cases that began in May. Four people have died and 5,500 have been affected. Many of them, including all the children affected in Sakai, were hit by a strain of E. coli bacteria.

The fact that eel is the chief suspect is particularly dismaying for the Japanese, who believe a dish of *unagi* and rice provides strength against Japan's summer heat. Being sickened by eel is like being betrayed by the traditional American Thanksgiving turkey.

One man allegedly tried to use the scare to extort money from a large dairy company, saying he would infect its milk with E. coli unless it paid him \$1 million. The police arrested him.

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## INTERNATIONAL

## Libyan Opposition Focuses on Gadhafi's Son

CAIRO — Internal dissent in Libya has hit the headlines again, with bloodshed at a Tripoli soccer stadium, but exiled opponents of Colonel Moammar Gadhafi say the opposition is disorganized and isolated from the outside world.

Diplomats in Tripoli say at least 20 people were killed in the stadium on last Tuesday after spectators chanted slogans hostile to Colonel Gadhafi's son, Saïd, patron of one of the soccer teams.

Saïd Gadhafi's retinue shot and killed some of the spectators.

Others were killed in a crossfire or in the stampede to get out of the stadium.

Libyan state television said Sunday night that the casualty toll was 8 killed and 39 wounded. It did not mention any political element in the violence.

The exiles say the incident shows how

sensitive Libya's rulers are to criticism and how public discontent has focused on Saïd Gadhafi as an easy substitute for his father.

They portrayed Saïd Gadhafi, who is in his mid-20s, as a Libyan version of Saddam Hussein's more notorious son Uday, whose exploits in Iraq have done much to discredit his father.

"The people are just no longer interested in continuing on the course that Gadhafi has set for the last 27 years," one of the exiles said.

"They can't go on, and they reject the suggestion that Saïd might one day be put in charge."

Colonel Gadhafi took power in a military coup in 1969 at the age of 27. Despite huge revenues from oil exports over the years, his economic policies have denied Libyans the prosperity that the citizens of similar states in the Gulf now enjoy.

Colonel Gadhafi's opponents say his system of popular democracy is a front for domination by a new class of ideological opportunists who are represented by the Revolutionary Committees movement.

Exiles and diplomats have reported a series of operations by the internal opposition over the last year or more, especially around the eastern city of Benghazi and in the nearby Jabal al-Akhdar, an area whose hill terrain makes it suitable for carrying out guerrilla operations.

Guns have shot and killed senior members of the security apparatus, and political prisoners have escaped to the countryside to form guerrilla bands, sometimes with the connivance of their guards, they say.

"It really started with the attempted military coup in Beni Walid in 1993, but this year has been especially violent,"

another exile said. "It looks like people are looking for alternatives."

"What happened last week," said Ibrahim Karawan, Middle East specialist at the International Institute for Strategic Studies in London, "is significant as part of a trend towards escalating the challenge to state power. It shows that they are not frightened by the response of the regime."

The opposition, though dominated by Islamists, also contains liberals, nationalists and people who feel that the revolution of 1969 betrayed its objectives.

Mr. Karawan said, "Incrementally," he said, "there is an erosion of the regime's ability to control events, and the Islamists especially have begun to feel more confident."

Little is known about the makeup and roots of the Islamic movement in Libya.

## Court Dismisses Carlos's Lawsuit Against Illegal Arrest in Sudan

PARIS — The top European human rights court on Monday threw out a lawsuit filed by the terrorist known as Carlos the Jackal, who contended that French agents illegally arrested him in Sudan in 1994.

The European Court of Human Rights said Carlos's complaint was unfounded, France Info radio reported.

His lawyers had sued saying he was "kidnapped" in Sudan by French authorities who lacked an international arrest warrant.

Carlos did not immediately respond to the ruling by the court.

The 46-year-old Venezuelan-born convict, whose real name is Illich Ramírez Sánchez, was arrested on Aug. 14, 1994, in Sudan and taken in

chains to Paris. He has been held at a maximum-security prison in solitary confinement.

By his own count, the international terrorist has killed 83 people in a spree of bombings, hijackings and assassinations.

Authorities have at various times linked Carlos to the deaths of the 11 Israeli athletes at the 1972 Olympics in Munich, the 1975 attack on OPEC headquarters and the hijacking in 1976 of an Air France jetliner to Uganda.

In 1992, France convicted and sentenced Carlos in absentia to life in prison for the killing of two French counterintelligence agents in 1975.

By law, France must retry him now that he is in custody. But a date for his trial has not been set.

## SOUTH: Walking the Narrow Color Line

Continued from Page 1

textile plants, or for manufacturers like Wellborn Cabinet, or in the big Tyson Foods poultry plant five miles away in Ashland, the county seat. Years ago, farmers in overalls and work boots used to clump through town; today, wage-earning women run midday errands in their Japanese cars, wearing the puffy plastic hairnets that Tyson requires on the line.

Crime and drugs have found their way to Lineville. Integrated groups of black and white youths have been seen wearing gang bandanas like their role models in Los Angeles or Chicago. Crack cocaine has become the drug of choice for blacks; marijuana and crystal meth for whites.

And a new group has entered the racial and ethnic mix: For the past year, relatively large numbers of Hispanics — mostly Mexicans, Cubans and Central Americans — have been arriving in Lineville and surrounding Clay County, primarily to work at the Tyson plant. Estimates of how many Hispanics now live in the area range from 400 to 1,000, and their presence has left local residents bewildered.

"Our schools just aren't set up for Spanish," said Mayor Perry Young. "We don't have room for them and we don't have money for them. They're good people, but we feel like they're going to have to adapt to us, not us adapt to them."

Lineville made it through the upheaval of the civil rights era better than many small Southern towns. Like the rest of the region, it waited until long after the Supreme Court's Brown vs. Board of Education decision in 1954 and the Civil Rights Act 10 years later to desegregate its schools and public facilities. Whites (in many southern communities set up all-white segregated academies to skirt the law, but those in Lineville did not; when the schools here integrated in 1969, they integrated fully. Political power is now shared — grudgingly, blacks say.

To older whites like Mr. Young, the mistakes and injustices of the past should be forgotten. "The way I feel, there shouldn't be any prejudice toward whites because of all that," Mr. Young said. "That ought to be left behind us."

Mr. Young used to have a dry-goods store, but that was before Wal-Mart moved into the area about 10 years ago, opening five stores within a 35-mile radius of Lineville. "They took my bread-and-butter items and they sold 'em for what I had to pay to get 'em," Mr. Young said. "I held on for three or four years, but it was no use."

Mr. Young now spends most days helping his son with his auto parts business down the road in Ashland.

The mayor sees blacks and whites as being on equal footing in Lineville, and believes they get along well. "You hear prejudice on both sides," he said, "but I

believe deep down in everybody's hearts, we know we're all here for the same purpose."

Mr. Young went on, "Blacks and whites go to school together, and there's some that go to church together. And they're intermarrying. Not so much intermarrying, but dating, or going together. At least that's what I hear. I don't see it so much, myself. I hear about it as much from the blacks as from the whites."

City officials were forced by federal officials to redistrict in 1988 to create black-majority districts and, as a result, two blacks were elected to the five-member city council. Now the council is trying to resurrect Lineville's moribund downtown — much of what could be a charming business district is empty and falling into disrepair — and figure an adequate response to the Hispanic influx.

Most of Lineville's blacks live in small houses or trailers at the edge of town. Most whites also live in modest housing, although up past the high school lies an upper-crust white neighborhood of gracious homes and manicured lawns, with no blacks in evidence. In black neighborhoods, the poverty is obvious; public facilities, like a small recreation center, are spartan and run-down. White neighborhoods have more of a Middle America look and feel.



Perry Young, mayor of Lineville, Alabama, with a collection of street signs that had been stolen by vandals.

## UN Finds Separate Worlds of Rich and Poor Widening

By Barbara Crossette  
New York Times Service

UNITED NATIONS, New York — In the wake of reports that gaps between rich and poor in the United States are wider than they have been in half a century, a UN survey to be published Wednesday finds that the phenomenon is worldwide, and that the wealthiest and poorest people — both within and among countries — are living in increasingly separate worlds.

Moreover, the United States is slipping into a category of countries — among them Brazil, Britain and Guatemala — where economic stratification is most pronounced, with the national per capita income four times or more higher than the average income of the poor, according to the survey, the Human Development Report 1996, compiled by the UN Development Program.

The ratio of the top 20 percent of American incomes to the poorest 20 percent is now 9 to 1, the study shows.

"An emerging global elite, mostly urban-based and interconnected in a variety of ways, is amassing great wealth and power, while more than half of humanity is left out," said James Gustave Speth, an American who is administrator of the Development Program.

"We still have more than half the people on the planet with incomes of less

than \$2 a day — more than 3 billion people," Mr. Speth said in an interview. "For poor people in this two-class world, it is a breeding ground for hopelessness, for anger, for frustration."

The Human Development report will be released officially in Tokyo on Wednesday by Richard Jolly, its principal author.

A nation's total wealth is not an adequate guide to how its people live, the survey says. In nations as diverse as the Netherlands, Japan, Bangladesh and Nepal, the gap between average incomes and those of the poorest 20 percent of the population is half that of the United States.

The distribution of private economic assets, in property and investments, widens American differences even more.

Many of the most equitable societies are now in East and Southeast Asia, where economic growth has been fastest but where at the same time the division of national wealth has been the fairest, the report says.

The annual report was first published in 1990 as a new way to measure countries' progress by going beyond gross national product to factor in life expectancy, education and adjusted real incomes. The report's Human Development Index ranks countries by health, sanitation, the treatment of women and

other aspects of life that give what the authors believe is a truer picture of day-to-day existence.

This year, Canada leads the index with the most advanced overall human development, followed by the United States, Japan, the Netherlands and Norway. On a list of 174 countries, Russia ranks 57th, China 108th and India 135th. Africa south of the Sahara dominates the bottom.

When the list is adjusted to reflect the status of women, the United States drops to fourth place among 137 countries, behind Sweden, Canada and Norway. Japan drops to 12th place, while China rises to 79th.

The 1996 report introduces another new measure of national growth — or lack of it. Called a "capability poverty measure," this index tries to find hidden or potential poverty by looking at factors like the percentage of children under 5 who are underweight, the proportion of unattended births, the number of children in school and rate of female illiteracy. In other words, is a nation programming poverty and disadvantage into coming generations?

For example, in South Asia — India and its neighbors, except Sri Lanka — 29 percent of the people are living in severe poverty when income alone is measured, but more than 62 percent are living in conditions that can negatively

affect their futures, John Sewell, president of the Overseas Development Council, a private policy research organization in Washington, said in an interview that social indicators can no longer be overlooked by any country focused on national economic growth. The era of choosing between a welfare state or a bigger GNP is over; social and economic factors work together, he said.

"It is clear by now in the developing world that the prime responsibility for progress has to fall to those governments and societies themselves," he said. "Nothing much is going to change until countries take the steps to invest in people, educate women and create a health care system that works while also adopting policies that are going to lead to economic growth."

In Asia, as in the Scandinavian countries a generation or more ago, a number of countries — among them Indonesia, Malaysia and Singapore — have spent significant sums on health, education, the advancement of women and the provision of credit to low-income families and small-scale entrepreneurs.

But they also focused simultaneously on national economic growth, and this two-track policy led to "the most sustained and widespread development miracle of the 20th century, perhaps all history," the report says.

## LABOR: Republicans Stunned

Continued from Page 1

members, and we're telling the truth, regardless of what they say," Mr. Sweeney said in an interview.

In the short term, labor officials said they believed their campaign was keeping their issues on the front burner, notably the minimum wage increase, which cleared the Senate last week.

Charles Cook, an independent analyst of congressional races, argues, "It's the first time labor's been truly relevant politically in at least a decade or a decade and a half."

He said that in some districts, where environmental or other groups have also weighed in with advertising, Republican incumbents found themselves in circumstances similar to those of many Democrats two years ago: under fire from one interest group after another.

The tone of the debate is remarkably tough for this early stage of the campaign. The newest AFL-CIO commercial, which was broadcast in 20 congressional districts in 17 states last week, shows an elderly woman fretting about Medicare, then cuts to the House speaker, Newt Gingrich, declaring, "We believe it's going to wither on the vine."

The advertisement ends with an announcer warning, "They're after Medicare again." Angry Republicans assert that Mr. Gingrich, in a speech delivered last October, was referring to the "withering" of the Health Care Financing Administration, the agency that administers Medicare, and not to the insurance program for the elderly itself.

On the other side, a new radio advertisement being aired by an alliance of business groups known as the Coalition declares that "big labor bosses" are "taking \$35 million from mandatory union dues and spending it to try and pass their special interest agenda in Congress." The advertisement asserts that accusations that Republicans are trying to cut Medicare are "false" and "untrue" and concludes, "It's said that lying is now part of the system."

Political professionals say it is hard to quantify the effect of a single advertising campaign on the battle for the House, where a net shift of 20 seats to the Democrats would cost the Republicans their majority. But the labor federation's advertising came on top of a Democratic National Committee campaign that hit similar themes in 25 states, and some analysts said that the combination of the two was bound to have an effect.

The surest sign of the effect of the labor campaign is the increasing scale of the response: The Coalition, an umbrella organization of 35 business groups led by the U.S. Chamber of Commerce, has begun broadcasting advertisements defending the Republicans.

"At the very least, we'd like to completely neutralize what they're trying to do," said Bruce Josten, senior vice president of the chamber.

## CROSSWORD

## ACROSS

1 Hotel posting  
8 Frost out  
10 Paper airplane  
14 VI W. II plane  
15 Gay

## DOWN

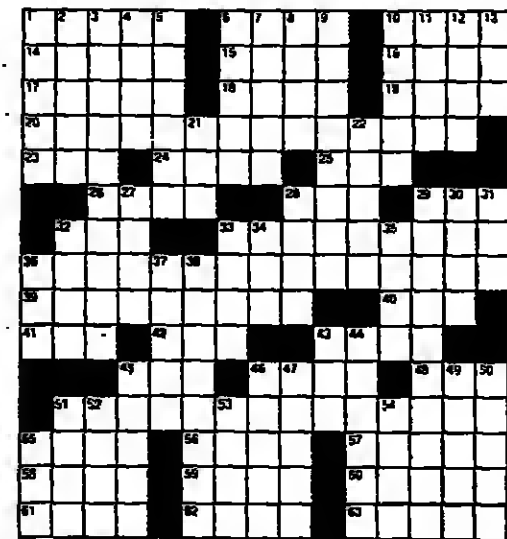
15 Uzbekistan's  
16 Treat the lawn  
17 Not fulfilled  
18 Like Marx  
19 Brothers humor  
20 From the top

## ACROSS

23 1996 event  
24 "Tarzan" star  
25 Prominent donkey features  
26 In the ramparts  
28 Arabian demon  
29 French nobleman  
30 Hollywood cry  
31 Jelly holder  
32 "Dallas" ranch  
33 Theme song for 20-Across  
34 Least comfortable  
35 Record producer Brian  
41 Derek and Jackson  
42 Did 100  
43 Presidential nickname  
44 Grandpa on "The Waltons"  
45 Like grandpa  
46 Sit of  
47 20-Across  
48 Jai  
49 Slippery  
50 Baby conveyance  
51 Lugosi of light films  
52 Neil Armstrong movement  
53 Comedian's telephone  
54 Terminated  
55 Posted  
56 Tractor man

## DOWN

1 Be economical with, as resources  
2 Cancell  
3 60's singer with the Shondells  
4 K-6, schoolwise



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## Solution to Puzzle of July 15

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IOWA LOAN ONLINE  
TWENTYONE ANGST  
TENTHYS ALUS MOS  
VRS EIS GETAT  
ARAPANO LVS  
SOFTENED SISAL  
SPOTS GAS ARIDE  
ATRIA CLIMIXION  
STYR PISTWOODS  
VENIK LUN SPA  
BAE UNIT PASTOR  
ALIST SEVENTEEN  
PIVOT ERIE ANTI  
SEEDY MAIS NOISE

## MONEY: NBA's Free-Agent Shuffle Raises the Stakes in Sports

Continued from Page 1

Leonard Armatto, wanting him closer to his home?

All the money has to figure in somewhere, which O'Neal admitted when asked if a more lucrative offer by the Magic — which they have come up with — would make his decision easier.

"It would be nice," said O'Neal, who was with the Dream Team as they wiped out Greece, 128-62, on Sunday in Indianapolis, "but you never know."

No you don't. Just for comparison's sake, Barry Bonds's \$43.75 million, six-year contract with the San Francisco Giants was the highest ever awarded in baseball. Now, it seems, National Basketball Association players could almost pull that money out of their couch cushions with the incredible deals being signed since free agency began at 3 P.M. Thursday.

It is so much money — no paycheck-to-paycheck living here — it's mind-boggling.

"What's the difference? Ninety million or 80 million," Payton said when the subject of money popped up. "You still can't spend it all."

Of course not. But these are competitive people. It is hard to believe O'Neal will willingly watch players like Mourning and Howard have a bigger take than himself, the biggest one of them all.

"When the time is right, I'll sign," O'Neal said. "I just have to take my time and wait for the right deal. It's like you have two girlfriends and you want to marry both of them."

Either the Lakers or the Magic will be stood up. It is just a question of which, though there is reason to think O'Neal could easily decide to stay in Orlando.

His family is believed to support a decision to stay put in the much slower-paced Florida city.

Plus, only the Magic can make an offer of \$115 million, thanks to the Larry Bird rule that allows teams to re-sign their own free agents without regard to the salary cap. Thank you, Larry. That is what the wealth of new multimillionaires should be saying.

The Bird rule helped Miami re-sign Mourning. It could help lead to Reggie Miller's return in Indiana. Last week, Miller backed off from an earlier statement that he was fascinated with the idea of trying to beat the Bulls as a member of the New York Knicks.

His leverage vanished and his words turned more homespun when the Knicks used their plentiful cap money to sign Allan Houston and Chris Childs on Sunday.

"I've been here eight years," Miller said. "And I'd like to be here another five. I think loyalty goes a long way with myself and we hope management believes that as well."

For O'Neal, \$115 million could go a long way in answering the question: Can you top this? Yes, he can.

"The financial package will be incredible, so it's not something we're dwelling on," Armatto said. "The main factors are the likelihood of a championship and the feeling Shaq has about the city. Orlando wants us to explore the options, then they'll put their best foot forward."

They may have done just that. Orlando's preliminary offer had been for \$15 million a year over seven years, or \$105 million. That is Mourning money. O'Neal could top that.

## 26 Killed as Belgian C-130 Crashes

Compiled by Our Staff From Dispatches

EINDHOVEN, Netherlands — At least 26 people were killed when a Belgian Hercules C-130 military cargo plane crashed at Eindhoven Airport in the southern Netherlands on Monday, a military spokesman at the airport said.

"At least 26 are confirmed dead," Henry Helms, warrant officer of public affairs at Eindhoven, said, adding that all four Belgian crew members were among the dead.

Earlier reports put the death toll at four, with more than 30 injured in the crash, which occurred at around 6 P.M. in the military section of the airfield as the plane was attempting to land.

In Brussels, a Belgian Defense Ministry spokesman confirmed that both the

four-engine turboprop plane and its crew were Belgian, adding that the plane was returning from an "unspecified mission."

Dutch television said up to 50 Dutch troops, many from a military band, were aboard the plane, which was from the Melsbroek air base near Brussels. It said the plane was returning from Italy.

About 100 firefighters were rushed to the scene.

The plane caught fire after the crash, according to Dutch Radio, adding that eyewitnesses noticed the plane making unusual maneuvers as it flew over nearby residential areas before the crash. The airport is about 200 kilometers (120 miles) south of Amsterdam.

(Reuters, AP)

After Pause  
Subsides

Vows Ret

NIA: New Qualms

Jet-Fighter Deales



## INTERNATIONAL

# Ulster Pauses to Bury Its Dead

## Violence Subsides as Peace Talks Are Set to Resume

By John Darnton  
New York Times Service

LONDON, July 15 — Under a leaden sky, thousands of Roman Catholic mourners gathered on a bluff overlooking the Catholic slums of Bogside on Monday, assembled for the funeral service of the sole victim of a week of street violence in Northern Ireland.

Their perch, in and around the ancient stone church of St. Columba's at Longtower, gave them a bird's-eye view of the devastated heartland of their city. Five days ago a landscape of tidy if inexpensive public housing and shops, now it is a warren of looted shops, smashed windows and burned-out hulks of cars, trucks and buses.

There are signs that the disorders are winding down here, where they have been the most widespread and violent. Sunday night, the rioters who threw gasoline bombs at the police and in turn dodged plastic bullets were only several hundred, down from thousands on the two previous nights.

And Belfast and other cities and towns in the province were largely quiet, despite a bomb early Sunday morning that destroyed a hotel in Enniskillen in the southern county of Fermanagh but caused no deaths or serious injuries.

The blast, for which the Irish Republican Army has denied responsibility

and which may have been the work of a republican splinter group, could have reignited trouble in Protestant areas, which saw rioting earlier in the week. But, for the moment at least, Protestant neighborhoods were calm and the loyalist paramilitaries, the mirror-image terrorist groups to the IRA, held to a self-imposed cease-fire. The loyalists are called that because they are "loyal" to Britain and want to remain part of it. The Catholic republicans, or nationalists, want to join the Republic of Ireland.

As if to underline the continuing threat from the IRA, the police in London announced the breakup of what was described as an IRA bomb factory. A series of raids in the south London sections of Peckham Rye and Tooting led to seven arrests and a "substantial amount of bomb-making equipment," including "components to make 36 devices," according to Scotland Yard. Maps, false identity papers and other documents were recovered.

MIS, Britain's secret security service, which two years ago moved into the area of combating domestic terrorism, was said to have helped in undertaking surveillance and in carrying out the coordinated pre-dawn raids.

The wave of disturbances in Northern Ireland began when the largely Protestant police, the Royal Ulster Constabulary, blocked the Protestant fraternal organization called the Orange

Order from marching through a Catholic housing project in Portadown on July 7, setting off disturbances by Protestants across the province.

Faced with massive resistance, the police did a U-turn and allowed the Orangemen to march, which ignited rioting among Catholics, who saw it as a craven capitulation to force.

The Enniskillen bomb at the Killielevin Hotel was the first in Northern Ireland since 22 months ago, when the IRA began its cease-fire, now broken. IRA bombs have gone off in London, Manchester and Germany.

With the violence subsiding, at least temporarily, politicians on both sides of the Irish Sea moved into the limelight. In Parliament, Sir Patrick Mayhew, the British official directly responsible for Northern Ireland, defended the government's actions, saying it had tried fruitlessly to negotiate a solution to the Portadown standoff.

Meanwhile, a major rift has opened between London and Dublin over the week's troubles.

Prime Minister John Major of Ireland was incensed at the about-face, apparently believing the tune was called in London, and he publicly blamed the British government for causing the riots. The British prime minister, John Major, was said by aides to be livid at this.

So far, Britain is rebuffing pressure from Dublin for an emergency session of



Dermot McShane's coffin passing a burned-out truck in Londonderry.

the two prime ministers to try to patch up their differences and get the peace process back on track. Instead, second-tier officials will meet Tuesday, when the talks resume in Belfast. The IRA representatives of Sinn Féin are not taking part.

At the funeral services here for Dermot McShane, a 35-year-old Catholic and member of a violent republican group

who died after being struck Friday night by a British Army vehicle, the mourners heard the officiating priest assert, "This has been a dark week for our city."

Father Con McLaughlin, said he had buried numerous young people in the course of the "troubles," adding: "In 21 years, never have I seen people so depressed to the point of despair."

# Vote Overseer Says Campaign Cannot Start With Karadzic

New York Times Service

SARAJEVO, Bosnia-Herzegovina — The man in charge of overseeing the upcoming Bosnian elections, Robert H. Frowick, Monday postponed the start of the campaign until Friday to give the Bosnian Serbs a few more days to oust Radovan Karadzic.

"It is my unalterable position" that any political party that has an indicted war criminal in office cannot participate in the elections, said Mr. Frowick, who is head of the Bosnia operation of the Organization for Security and Cooperation in Europe. The only party in that category is Mr. Karadzic's Serb Democratic Party, which is, at the moment, about the only organized Serbian party with any significant following.

Mr. Frowick's move is the latest "ratcheting up," as officials here put it, of the diplomatic pressure on Mr. Karadzic.

Tuesday, Richard C. Holbrooke, the man who pushed through a peace agreement that had eluded everyone else, is arriving in the region, and will attempt to pull off another coup — convincing the Serbian leader, Slobodan Milosevic, that he must muscle Mr. Karadzic out, something no one else has been able to persuade Mr. Milosevic to do.

Beneath all the high-powered public maneuvering, however, there is a division among the allies on the best way to proceed against Mr. Karadzic.

In a significant step toward the military solution, France is planning to ask the Security Council to give the NATO forces in Bosnia a mandate to arrest Mr. Karadzic, as well other indicted war criminals, the French defense minister, Charles Millon, said at a news conference here Sunday.

Currently, North Atlantic Treaty Organization forces may arrest an indicted war criminal only if they come across him while on a routine patrol.

France becomes the first major power to seek a widening of the NATO role, and the significance is underscored because Mr. Karadzic is holed up in the part of the country where French troops operate.

Britain, which has been opposed to a military action, is "rethinking," a senior European diplomat said.

And Carl Bildt, the principal international negotiator in Bosnia, has also recently come to the conclusion that a "military snitch" of Mr. Karadzic is necessary, an official close to him said.

The Clinton administration is divided over whether to mount a military action to seize Mr. Karadzic. The State Department strongly favors one, several American officials said in recent days. The Pentagon has said that it is against such an operation because it would put American troops at risk.

But a few days ago, the commander of U.S. forces in Bosnia, General William L. Nash, expressed a willingness, in a meeting with Secretary of Commerce Mickey Kantor, to undertake the risks.

"Give us the order and we'll do it," General Nash said, according to people who were present.

What is lacking is the political will in the White House, where all eyes are on November, and there is a deep fear that any U.S. casualties could be fatal to President Bill Clinton's re-election.

Underlining the potential risks, the police chief in Pale, the capital of the Bosnian Serbs, has threatened to harm NATO troops and UN police if there is an attempt to arrest Mr. Karadzic, a UN spokesman, Alex Ivankov, said here Monday.

It is hard to find anyone who thinks that the last-ditch diplomatic efforts will be successful in removing Mr. Karadzic, because the weapons that the outside powers have — or are willing to deploy — do not match their rhetoric.

The Clinton administration is making one last go at Mr. Milosevic to do the deed, even though most administration officials have given up on him.

And a senior European diplomat said he thought Mr. Milosevic was "immune" to any pressure Mr. Holbrooke might bring to bear.

— RAYMOND BONNER

# EU Vows Retaliation if U.S. Doesn't Waive Cuba Sanctions

By Tom Buerkle  
International Herald Tribune

BRUSSELS — Issuing their bluntest threat yet to Washington in the transatlantic dispute over Cuba, European Union foreign ministers on Monday promised swift retaliation if President Bill Clinton goes ahead with fresh U.S. sanctions on foreign companies trading with the Castro regime.

The ministers declined to authorize any specific retaliatory measures in the hope that Mr. Clinton will exercise his authority to suspend some of the sanctions by a deadline of midnight Tuesday eastern standard time.

But they identified a list of four potential countermeasures, including legislation that would bar EU companies from complying with the American sanctions. They also made clear that European governments would adopt some of those measures rapidly if new U.S. sanctions come into force.

"There will certainly be a strong reaction," said Hervé de Charette, the French foreign minister.

But Washington continued to send

strong signals Monday that Mr. Clinton would not waive the new sanctions. Asked about the threat of retaliation by the European allies, the White House spokesman, Michael McCurry, said, "We would say to our allies: Join us now in the effort to confine Cuban communism to the trash bin of history where it belongs."

The unanimous view of European governments is that the extraterritorial reach of the U.S. sanctions contained in the Helms-Burton law "directly contradicts international trade rules," according to Mr. de Charette.

But the ministers believed a tit-for-tat trade war over Cuba was all but inevitable, they also went out of their way to play down any suggestion of a broader crisis in relations between Europe and the United States.

"Those relations are too deep, too long-standing and too important," said Sir Leon Brittan, the EU trade commissioner. "We have not sought confrontation and don't do so. We are merely defending ourselves."

Malcolm Rifkind, the British foreign minister, said the dispute was a "rift

and not a crisis. "Like previous rifts, it will be resolved," he added.

One element of the Helms-Burton law — Title IV — allows the United States to bar from entering the country the executives of foreign companies whose Cuban subsidiaries use properties expropriated from Cuban émigrés. Washington so far has issued orders barring executives of the Italian telecommunications firm STET and the Canadian mining company Sherritt Inc., which include two British nationals.

Title III of the law allows émigrés to sue such foreign companies in U.S. courts for compensation. Europeans regard this provision as the most pernicious, and have lobbied Mr. Clinton vigorously to use his authority to suspend it. He will announce Tuesday whether he will allow the measure to take effect or suspend it for six months on national security grounds.

The Clinton administration initially opposed the legislation in Congress, but modified its dissent after the downing of two unarmed Cuban pilots by Cuban émigrés in Cuban airspace in April. Europe's rare, unified response in turn reflects the deep opposition that EU governments share toward Washington's penchant for unilateral trade action, whether it takes the form of a walkout on talks to liberalize global trade in telecommunications or the imposition of sanctions on foreign companies that do business with unfriendly regimes.

While many Europeans agree with Washington's opposition to the Castro government, "the best way to get change in Cuba is not to clobber your ally," Sir Leon said.

Foreign Minister Abel Matutes of Spain said Helms-Burton merely continued more than 30 years of ineffective American attempts to alter Cuba with economic weapons. "It doesn't contribute to what we all want — that Cuba evolves peacefully toward democracy," he said.

The potential EU countermeasures include:

• Adopting laws to prevent European companies from complying with Helms-Burton. Britain's 1980 Protection of Trading Interests Act is the model, forbidding British companies from providing information to U.S.

courts in extraterritorial actions and authorizing those companies to file counter-suits in British courts to claw back any punitive damages awarded by U.S. courts.

• Establishing a list to watch of U.S. companies that file suits against EU companies under Helms-Burton. "If it keeps them guessing, that's a good thing," Sir Leon said.

• Calling for a dispute settlement panel at the World Trade Organization.

• Withdrawing visas or work permits for executives of U.S. corporations.

EU officials acknowledged several problems with the latter two measures. The United States has indicated it would invoke the World Trade Organization's national security clause to bar any action at the Geneva-based trade regulator, and EU officials said they were keen of establishing such a precedent.

As for visas, Mr. Rifkind and Mr. de Charette said action was unlikely. EU officials said it would be very difficult to agree to grounds for denying visas and ensuring that such retaliation is proportionate to U.S. actions.

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# RUSSIA: New Qualms on Yeltsin's Health

Continued from Page 1

lieved to have a common heart condition that restricts the flow of blood to the heart muscle. As best as can be determined, he has not been treated for it.

Mr. Medvedev announced that Mr. Yeltsin would not be taking his annual vacation in Sochi this year, but would remain near Moscow at the Barvikha resort. Mr. Medvedev also said the Kremlin might consider putting out more information about the president's health. Since his last disappearance, Mr. Yeltsin has only been seen in videotapes of meetings.

Mr. Gore, who had brushed off questions about Mr. Yeltsin's health before leaving Washington, was to be the first Western leader to see Mr. Yeltsin since his re-election. Asked Monday about the postponement, Mr. Gore replied tersely that he had only been told about it in the morning.

Mr. Gore is in Moscow for the seventh meeting of the bilateral commission that he chairs with Prime Minister Viktor S. Chernomyrdin, which opened meetings Monday on economic and other topics.

Thomas R. Pickering, the U.S. ambassador, told Reuters: "I've been in Russia for a long time. I've learned to expect that things change here. I've also learned to expect that President Yeltsin

has been very careful about his rest and his need for rest from time to time. I wouldn't read anything unusual in this."

Mr. Chubais has been in and out of Mr. Yeltsin's government over the last five years. He first joined as head of the ambitious privatization effort, and later was named deputy prime minister for the economy.

He was removed in January when Mr. Yeltsin took a turn toward the hawks in his coterie, but Mr. Chubais came back in March as a key player in the re-election campaign.

In announcing the Chubais appointment, Mr. Yeltsin said he was moving out his current chief of staff, Nikolai Yegorov, a hard-liner who was put in charge of preparing for Mr. Yeltsin's Aug. 9 inauguration ceremony. Mr. Yegorov was named new regional boss in the southern Russian territory of Krasnodar, a position he held before 1993 when he came to Moscow.

Mr. Chubais will inherit control over Mr. Yeltsin's schedule, staff and a large administration, with thousands of workers. But his chief interest has always been economic reform, especially in areas that are considered unfinished business from the first term. But Mr. Chubais said Monday that his favorite topic, economics, would be handled by Prime Minister Chernomyrdin.



Mr. Gore gesturing as he prepared for his meeting in Moscow on Monday with Mr. Chernomyrdin, left.

# ARMS: Jet-Fighter Dealers Set Up a Bazaar for Central Europe

Continued from Page 1

Communist uprising and now the congenial 62-year-old chairman of Parliament's defense committee.

After he returned from America, Mr. Mecs raced to Stockholm, a special guest of the Swedish king at a ceremony for Saab-Scania AB's Gripen combat jet. When he can find the time, Mr. Mecs will go to Paris courtesy of the French government and Dassault Aviation SA, maker of the Mirage 2000.

Similar courtships are unfolding in Warsaw and Prague, where American, French and Swedish salesmen are offering "the deal you can't pass up" on top-of-the-line jets. The Europeans were the early suitors, but the Americans seem, for the moment, to have the inside track.

It remains unclear whether the purchase of expensive fighters is the best use of the countries' limited military budgets. They seem more to be symbols of independence and modernity than rigorously reasoned elements of an overall defense plan.

Asked if his country really needed to buy more than a hundred sophisticated jets, Poland's deputy defense minister, Andrzej Karkoszka, replied: "Can you imagine a lack of 40 million, in Central Europe, without such an air force?"

The competition pits not only America against Europe — "Are you European or

American?" — but also American companies against American companies, and even the U.S. Air Force, which flies the F-16, against the U.S. Navy, which uses the F-18. Lockheed has air force generals on its team. Saab and Dassault can count on support from the diplomats and soldiers of their respective countries as well.

The plum is Poland, which dreams of buying perhaps as many as 150 fighters at a cost of nearly \$6 billion. By contrast, the United Arab Emirates has opened an intense bidding war for an 80-jet contract.

In Central Europe, the race began in earnest in September when Hungary and Saab signed a tentative \$1-billion agreement for 30 Gripen IAS-39s. At that time, American companies were barely at the starting line and the Clinton administration was still debating whether to sell advanced aircraft to countries that were part of the Soviet empire.

Clinton administration officials who oppose the sales argued that such countries would be better advised to spend the money on bolstering their fragile economies. But U.S. diplomats in the region countered that the countries should be allowed to buy the weapons they felt they needed. In the end, officials in Washington concluded that if the United States did not sell the jets, someone else — the French, Swedes or Russians, with their top-of-the-line MiG-29 — would surely

do so.

About the time that the administration was easing limits on weapons sales, officials in Hungary, Poland and the Czech Republic began re-thinking their enthusiasm for the expensive jet fighters.

Poland's defense budget is \$3 billion, and only 10 percent of that is for hardware, Mr. Karkoszka said. If all of it were spent on planes, it would buy fewer than a dozen.

The Czech Republic, which is hoping to buy at least 24 jets, has roughly \$30 million in its defense budget for procurement, the deputy defense minister, Petr Necas, said. For that amount, the country can buy one F-18 — and have nothing left for the radar, surface-to-air missiles and communications equipment that Mr. Necas said it needs for defense.

In May, the Hungarian Parliament slammed on the brakes, announcing that the government would not make a decision for another year.

With a precarious budget deficit, Hungary has been placed on a strict regime by the International Monetary Fund, which has forced severe cutbacks in social spending, including the closing of hospitals. "In this situation, we simply cannot afford to spend \$1 billion on aircraft," Mr. Mecs said.

That has spurred the manufacturers to ever more tempting offers. And the Pentagon is so determined American

# Large Heroin Load Is Seized by French

Agence France-Presse

PARIS — French customs officers seized 106 kilograms (233 pounds) of heroin in a British truck at the English Channel port of Calais, officials said Monday. The seizure on July 11 was the largest such heroin haul in more than 20 years, the Economics Ministry said.

The truck involved was transporting mountain hikes, camera equipment and toilet paper from Belgium and the Netherlands. Customs officers also found 20 kilos of amphetamines and smaller amounts of other drugs. The British driver was arrested.

companies prevail that it has come up with what U.S. officials describe as a "creative option" for Central Europe — leasing used planes. American officials said Washington has never before leased planes under such circumstances.

Some of the Europeans believe that American jet purchases will help pave the way for NATO membership, but U.S. officials say there is no connection.

"They are not a ticket for admission," said a senior American diplomat.

# Thomas Sandefur Jr., 56, Dies; Ex-Chairman of Tobacco Company

The Associated Press

LOUISVILLE, Kentucky — Thomas Sandefur Jr., 56, a former chairman of Brown and Williamson Tobacco Corp., who once testified to Congress that he did not believe nicotine was addictive, died Sunday.

Mr. Sandefur died at a hospital after a long battle with aplastic anemia, the company said. Aplastic anemia is a rare disorder in which the bone marrow stops making blood cells.

He was among the chief executive officers of the nation's six major cigarette companies who testified before Congress in 1994 that they did not think nicotine was addictive. They also denied claims that tobacco companies manipulated the amount of nicotine in their brands to hook smokers.

A former subordinate disputed his testimony. Jeffrey Wigand, a biochemist and the former head of research at the company, told CBS that Mr. Sandefur lied when he told Congress that he believed nicotine was not addictive.

Fred Pressman, 73,

Transformed Barneys

NEW YORK (AP) — Fred Pressman, 73, who transformed Barneys New York from a men's discount shop into a bas-

tion of urban chic, died Sunday of pancreatic cancer at his home in Harrison, New York.

Mr. Pressman began running Barneys in the late 1950s after taking over the business from his father, Barney Pressman, who opened the store in 1923.

With his father's blessing, he discarded the discount suits and brought in clothes made by new designers. By 1968, Barneys had a large selection of designer men's clothing. Women's clothing was added later, as were elegant housewares, cosmetics and gifts. Mr. Pressman was widely credited within the industry for introducing Giorgio Armani to the American shopper in 1976.

Ichiro Kimijima, 67, Fashion Designer

TOKYO (AFP) — Ichiro Kimijima, a prominent Japanese fashion designer, died of heart failure Sunday night, his office said Monday. He was 67.

Mr. Kimijima, who turned to fashion from architecture, went to Paris in 1977 and took part in the Paris Collection the following year.

He was one of the favorite designers among female members of the Japanese imperial family, including Crown Princess Masako.



## EDITORIALS/OPINION

# Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## End This War Fiasco

To get re-elected, Boris Yeltsin promised to pursue peace in Chechnya, and as soon as he got elected he renewed the war. This is more than dishonest. It is a wrongful policy that promises more death and suffering on both sides. The policy leads away from the step-by-step progression that was being undertaken to provide the Chechen enclave a breathing space and Russia itself a graceful escape from a reckless and adventurous. It raises troublesome questions about President Yeltsin's good faith.

Chechnya can claim to have become part of Russia in the 19th century only forcibly, without being consulted, and to have been badly treated since. Russia can claim to have a 20th century concern for the nation's territorial integrity. The obvious way to find a line between these mutually inconsistent positions is to seek out an agreed series of broad autonomy. This is what briefly seemed to become possible in Mr. Yeltsin's pre-election peace bids, efforts mocked by the fierce post-election Russian offensive.

At one moment it had seemed possible that Mr. Yeltsin's Chechen chestnut would be pulled out of the fire by Alexander Lebed, the tough general-turned-politician who had said he favored letting Chechnya choose

whether to stay within Russia. His moderation now has faded strangely away, leaving him toeing the new Yeltsin line and looking rather foolish while he's about it.

And where is the United States, which has its own interest in seeing the Yeltsin government's Chechnya fiasco end? At least the Clinton administration is no longer making public excuses for Russian repression. It has stepped back into a posture of urging greater efforts by both sides to put into effect earlier commitments to a cease-fire, prisoner exchange and disengagement on the ground. But the administration says all this in a quiet tone, as though having lowered its voice to help re-elect Mr. Yeltsin, it now feels that it should keep its voice down in order to move on to deal with a larger agenda.

Fortunately, Vice President Al Gore is in Moscow to continue a series of meetings on common business with the Russian prime minister. This is the right time for the administration to stop conveying the impression that whatever Russia does in Chechnya is of minimal concern to Washington. Mr. Gore is a good person to inform the Russian leadership that its policy in Chechnya is eating into the confidence on which good relations rest.

—THE WASHINGTON POST.

## Backward in Spain

José María Aznar won election as Spain's new prime minister last March in part by convincing voters that he had thoroughly modernized his right-of-center Popular Party, ridding it of all nostalgia for the anti-democratic practices of the Franco dictatorship. Now he will have to convince them once again, after the heavy-handed firing of Spanish television's New York bureau chief, José Martínez-Soler, and four other correspondents.

The Aznar government says it dismissed Mr. Martínez-Soler to save money. But it looks like reprisal for a campaign interview last February in which Mr. Martínez-Soler embarrassed Mr. Aznar with a pointed reference to the Popular Party's right-wing old guard. If the impression of retaliation is left to stand, it will have a chilling effect on other journalists

working for Spanish state television.

The issue that Mr. Martínez-Soler raised was a legitimate one, however uncomfortable it was for Mr. Aznar. The Franco era was not so long ago. Many, who served the dictator held influential positions in conservative party ranks until quite recently. Nor was Mr. Martínez-Soler singling out the conservative candidate for rough treatment. He has posed equally pointed questions to the rival Socialists.

Mr. Aznar is entitled to install his own appointees in top broadcast policy positions. But working journalists, if their reports are to be credible, need to be free of political pressure. Spain's democratic freedoms are too precious and too recently won to be so carelessly trampled on. Mr. Aznar should move quickly to undo the damage.

—THE NEW YORK TIMES.

## Filtering the Net

The next generation of highly publicized Internet products may have less to do with what you can get from the Net than with what you can protect yourself against getting. In the wake of the concerns over pornography that sparked the now overturned Communications Decency Act, vendors have rushed to market software with names like SurfWatch and NetNanny. These promise parents a variety of "filters" that they can clamp on the screen to block their children's access to the unsavory. The galloping popularity of such filters is expected to persist even if the Supreme Court reverses the lower court's decision on indecency.

Such products bring up some interesting questions. On-line journalists have begun complaining that some tools of this sort go beyond blocking porn or four-letter words to screening out whole areas of discussion, from feminism and environmentalism to gun ownership advocacy, sometimes without making clear that this is what they are doing. Meanwhile, the Chronicle of Higher Education reports, two graduate students have begun marketing a product called Internet Fast Forward that automatically screens out advertising — a tool which, if it became popular, would play havoc with existing business models of how anyone putting material on the Internet can make money from it.

Some incidents of what might be called over-screening are accidents resulting from the overzealous use of keywords or other sweeping means by the inexperienced. (In a notorious early example, the service provider America Online installed software to block newsgroups containing a list of "obscene" words, only to be informed by outraged customers that it had pulled the plug on support groups for breast cancer survivors.) Others are exactly what the products' makers intend. An on-line article by cyberjournalists Brock Meeks and Declan McCullough reported on a product called CyberSitter, marketed by the conservative group Focus on the Family, that blocks access to any discussions of homosexuality. It is advertised as a product

for families who want just that: a relatively G-rated version of cyberspace.

The feasibility and ready availability of such products is, of course, a strong argument that the government needn't meddle. Anyone, not just those worried about porn, should soon be able to find software that edits what a family wants edited and lets through what it wants to read. One pitfall, though, as Messrs. McCullough and Meeks observe, is the commercially inspired reluctance of many of these producers of software to specify exactly what they are blocking. Although understandable, this raises obvious dangers that products meant to block one type of transmission — violence, for example — will in fact muffle wider areas of debate.

Smart consumers will want, and demand, to know what they are not getting, the better to make use of the information they have.

—THE WASHINGTON POST.

## Other Comment

### Vacancy in Italy

Italy will not have a normal opposition, and therefore be a normal democracy, until [Silvio Berlusconi's] Forza Italia has a new leader. Gianfranco Fini, who heads the National Alliance, is an able politician, but his party is rooted in Mussolini's statism and most Italians do not seem ready to have anyone as their prime minister who is thus linked to a fascist past. Nor are most Italians ready to countenance the breakup of their country advocated by Umberto Bossi's Northern League.

Many voters have, however, shown themselves sympathetic to the policies that Forza Italia and the Northern League have in common: freer markets, less government interference, less dependence on the state. Italy's right-of-center voters might rally to a politician who neither was tainted by conflicts of interest nor preached the secession of the north.

In other words, there is a vacancy on the right of Italian politics.

—The Economist (London).

## Play by the Established Rules in Uneasy Korea

By Anthony Lewis

SEOUL — It is hard to imagine war coming to a place so bursting with prosperity and consumerism. Seoul is a city of 10 million dotted with skyscrapers. Shoppers crowd colorful street markets and new shopping malls.

But the border is just 50 kilometers from Seoul, and on the other side is a state that vows to overthrow South Korea. If North Korea made a sudden attack across the border, it would do devastating damage. It has 11,000 artillery pieces, some of them rocket-launchers that can hit Seoul. It is also believed to have chemical weapons.

Whatever the initial damage it caused, North Korea would surely be crushed in time. Its desperate economy could not long sustain a war. The United States, which has 37,000 troops in South Korea, would respond massively from the air.

So most people here, South Korean and American, tend to dismiss the possibility of war. The Pyongyang regime would have to be irrational to attack, they say, because it would be destroyed. But how will Kim Jong Il and his colleagues define rationality?

Consider the current U.S. policy of

trying to engage the North Koreans in negotiations, offering economic assistance in return. The reality is that such aid could not by itself erase the North's accelerating economic decline. The only way to do that would be structural reform: ending rigid Communist doctrine in industry and agriculture, and bringing in managers from South Korea and elsewhere.

In other words, turning the economy around would require abandonment of socialism and isolation, the two doctrines that have defined the state's rigid ideology since Kim Il Sung imposed it 50 years ago. And that would undermine the legitimacy of the Kim dynasty.

In those circumstances, a war with poor prospects might look more "rational" to the regime than its certain destruction by an inexorable economic slide toward absorption by the South.

No one can know what may be in the minds of Pyongyang's leaders. The toughest analysts in South Korea do not argue that war is more likely than not. Nor do they oppose the policy of trying

to engage North Korea. They simply say that one should be wary — and not put hopes for the policy too high.

Is Pyongyang interested in "engagement"? It has invited U.S. officials to search for the remains of Americans missing since the Korean War ended in 1953. But, tellingly, it has not responded to the proposal by Washington and Seoul last April for four-party talks, with China as the fourth, on a Korean peace treaty. Indeed, Pyongyang has not even accepted an offer to brief its representatives on the idea.

North Korea continues a bloodcurdling propaganda against the South. This month among other things its spokesmen have called President Kim Young Sam and his colleagues "traitors" and said "We will make them pay for their crimes a thousandfold."

Optimists on bringing the North into talks argue that China under Deng Xiaoping made major economic reforms without undoing the Communist Party's power. But the Pyongyang regime reflects not just the extreme Communist ideology of the Kims but an extreme North Korean tradition of puritan Confucianism, with rule from the

top. And the regime faces a competitor in South Korea quite unlike anything that had to concern Mr. Deng.

Top South Korean officials take what seems to be a calm view of the economic crisis in the North and where it might lead. They say they see signs of more pragmatism among younger figures in North Korea. But they are uneasy about the total lack of response from Pyongyang to the proposal for four-power peace talks.

The engagement policy has a difficulty on the American side, too. It is open to demagogic attack as "appeasement" of North Korea. Bob Dole has already taken that line, calling a recent U.S. offer of modest humanitarian food aid a subsidy to the totalitarian regime.

Republicans in Congress have voted to cut in half the \$25 million needed this year to supply fuel oil to North Korea as part of the 1994 agreement for a freeze of its nuclear program. But I have met no one here, American or South Korean, optimistic or pessimist, who thinks that the United States can reduce the risks of the present situation on the Korean Peninsula by breaking its commitments.

The New York Times.

## They Don't Need Armies and Can't Afford All These Arms

By Oscar Arias

SAN JOSE, Costa Rica — During a recent trip to Africa, I had the opportunity to meet with heads of state to discuss the possibilities for demilitarization in their regions. Reduction or abolition of armed forces may seem idealistic, but it has been accomplished in other parts of the world.

In Central America, Panama has joined Costa Rica in constitutionally abolishing its armed forces. A demilitarization process has also taken root in the Caribbean, where both Dominica and Saint Kitts and Nevis have legally eliminated their armies. The Haitian government is adopting measures for complete demilitarization.

Demilitarization can be costly. Reduction in military spending brings a loss of jobs in the military and associated arms industries. Reduction in arms procurement and in military personnel create a need to re-educate and retrain workforces for other industrial sectors.

In developing countries, thousands of children recruited into the armed forces at age 12 or 13 have no skills beyond pulling a trigger. They need training to become productive members of society.

Local communities that welcome back former soldiers have to be offered financial and technical incentives by national governments and multilateral institutions to pursue the reintegration of former soldiers into civil society.

The challenges posed by demilitarization are particularly evident in Africa. So the fact that heads of state in several countries are considering demilitarization is good news.

Uganda has begun a process of demilitarization of soldiers that must be reinforced with further efforts. President Yoweri Museveni spoke to me

about his willingness to continue the demilitarization effort but expressed concern that inadequate funding could lead to the program's failure. He warned, rightly, that if Uganda's reintegration programs for ex-soldiers do not get proper funding, no other soldier in Africa will be demilitarized.

Other African leaders also remain cautious. Jerry Rawlings expressed interest in reducing military spending by downsizing Ghana's armed forces.

In Tanzania, leaders say they are willing to cut the armed forces by 20,000. Tanzania, one of the poorest countries in the world, whose population will double by the year 2015 and where only 2 percent of children reach the secondary school level, desperately needs to redirect military spending toward human development.

Ghanaians and Tanzanians see the urgency of this task, but like Mr. Museveni, are concerned about lack of resources.

If it is true that developing countries are responsible for reorienting priorities from national security to human development, it is also true that wealthy countries, who often reward big military spenders with subsidized loans, should assist aid recipients in this task.

Developed nations should support the demilitarization of developing nations, if only to protect their own interests. Recent history proves that when this kind of assistance is provided in a timely manner, it can be extremely cost-effective.

The economic and human costs of peacekeeping to the United Nations and the industrialized nations could be greatly reduced if conflicts were not allowed to erupt into the proportions of another Somalia.

Another crucial measure is to keep arms out of sub-Saharan Africa. The global arms trade fuels wars and conflicts. Unless we end this immoral trafficking in death and destruction, we will never put an end to violence, genocide and authoritarianism in Africa.

For this to be accomplished, the enactment of a global code of conduct to regulate the arms trade is an essential step. I have asked my fellow Nobel Peace laureates to join me in drafting an International Code of Conduct on Arms Transfers.

Such a code would require that the recipient country be a democracy that holds free and fair elections and exercises civilian control over the military and security forces; does not engage in gross violations of internationally recognized human rights; and participates

fully in the United Nations Register of Conventional Arms.

The code would prohibit arms sales to any country engaged in armed aggression in violation of international law.

I sincerely hope that, when it is presented before the UN General Assembly, most nations of the world will have the courage and vision to adopt this code. One would expect the United States, as the most powerful democracy, to adopt a moral leadership role in the efforts to work toward this goal.

Most U.S. arms are sold for profit to nondemocratic governments that are responsible for countless human rights violations. If the United States put principles before short-term interests and reduced arms exports, it would have more aid to spend on demilitarization efforts, because it would be cutting back on the billions of dollars in subsidies it gives to

American arms exporters. Instead of doing what is profitable, the United States should strive to do what is right.

The developing world spends \$220 billion a year on its militaries, while its people remain without the food, medicine and education they desperately need. This tragedy, one of the saddest paradoxes of our time, is entirely man-made.

The situation is particularly acute in sub-Saharan Africa, where the need for governments to dedicate scarce resources to human development is urgent.

The global community has not yet reached consensus on how to address challenges of the kind I have presented here. It is time.

The writer, a former president of Costa Rica who received the 1987 Nobel Peace Prize, contributed this comment to the International Herald Tribune.

## Okinawans, Too, Should Be Heard

By Chalmers Johnson

SAN DIEGO — Residents of this California city where I live are in arms about a recent decision to transfer 112 helicopters from the soon-to-close Marine Corps Air Station at Tustin, in a desert area near Los Angeles, to our local Miramar Naval Air Station.

By law, the Marine Corps is required to conduct a serious investigation of the environmental impact of the helicopters on people's lives and the local ecology. This three-volume statement admits that noise "would result in significant unavoidable impacts on off-base communities," but concludes that this is "not enough to stop the planned change."

Some 7,000 people in north-

ern San Diego have signed protest petitions. One group has taken to recording the noise of test flights by the helicopters and playing them back on boom boxes at city council meetings.

In mid-June, President Bill Clinton visited San Diego to hear what the voters were thinking. They delivered petitions to him from the mayor of San Diego, a senator and two local members of Congress (one of them a pro-Pentagon Republican) urging that he move the helicopters somewhere else.

Mr. Clinton said he would order the Defense Department to re-examine its decision.

Compare this situation with the one in Okinawa. Ever since 1945, that small island has been unwilling host to more than 42 U.S. military and intelligence facilities. Okinawa is about the same size as Kauai in the Hawaiian Islands, but with the entire population of Hawaii jammed onto it plus well over 50,000 uninvited U.S. military personnel and their dependents.

At no time in the past 50 years has the U.S. or the Japanese government considered whether the noise, accidents, pollution, prostitution, sexual violence, diminished economic prospects or continuous inconvenience arising from the American military presence were acceptable to the 1.3 million Okinawans.

Only after the abduction and rape in September of a 12-year-old schoolgirl provoked massive protests and anti-American demonstrations did

the Pentagon agree that Futenma Marine Corps Air Station, entirely surrounded by the city of Ginowan, might be closed and returned to Okinawa.

But, just as in the case of San Diego, a suitable alternative site must be found.

The Japanese government has proposed the munitions storage depot at Kadema Air Force Base, thereby keeping the American forces safely quarantined in Okinawa. The Pentagon objects on the grounds that mixing air force and marine facilities causes "confusion."

Whenever alternatives on the main islands of Japan are proposed, there are instantaneous local public outcries — usually heeded with greater alacrity in Tokyo than anything said or done by the Okinawans.

But Governor Masahide Ota, who recently won a slim majority in the island's prefectural assembly, has vowed to hold a plebiscite on the bases and whether Okinawans want a restructuring of the U.S.-Japan Security Treaty. The plebiscite, which may be held as early as September, the first anniversary of the rape, will doubtless confirm what many opinion polls indicate: that more than 90 percent of Okinawans want the bases removed from their land.

The similarity with San Diego is that both protests are citizen-based efforts to get politicians to bring an arrogant and out-of-control military to heel.

The writer, president of the Japan Policy Research Institute in San Diego, contributed this comment to the International Herald Tribune.

## 'Security First' Won't Be Enough

By Stephen S. Rosenfeld

WASHINGTON — Part of Benjamin Netanyahu's argument is unassailable. Terrorism cannot be used by Arabs as an instrument of negotiation, the new prime minister said in Washington last week. Cessation of terrorism is a condition for Israel's return to peace talks.

This position has weighty implications. It may force heavier policing duties upon Yasser Arafat than his political situation can easily bear. It may tense up Israel's relations with the United States a bit, since Mr. Netanyahu is toughening Israeli policy — moving Israeli reprisals raids in southern Lebanon up to the Syrian border, for instance — even while the Clinton team still appears to hanker to sit down with Damascus.

But the position is a political necessity for Mr. Netanyahu, and it is sensible and principled in its own right. In Washington, he was eloquent on the subject, and winning. There are other questions to ask of the renewed Likud government. If policy were just a matter of timing — first stop terrorism, then resume negotiations — things would be relatively simple. But what is the substance of what Israel would offer if and when the next "final" phase of talks — bearing on borders, Palestinian refugees, Jewish settlers and Jerusalem — opens?

Peace-minded Palestinians and, if there are any, Syrians may well wonder what their reward will be for putting the terrorists back on the shelf and turning to diplomacy. Mr. Netanyahu's early an-

swers are cloudy. Challenged to make good on the prior Israeli government's residual obligations to set up interim Palestinian self-rule, he responds with a demand for by-the-letter implementation of the Palestinians' obligations.

With one of these he would erase the useful calculated ambiguity by which the interim Palestine Authority has sought out, and was permitted to seek out, a small political space in Arab East Jerusalem. Taking away that space is incendiary.

Mr. Netanyahu elaborates a rationale for peace that greatly deepens the Likud assertion that Israel already has given up all the land necessary to satisfy the requirements of the international formula "land for peace." He now speaks of a peace built not merely on an exchange of negotiated commitments (the customary way) but on Israeli-written "standards." He cites three: security, reciprocity and democracy.

In some sense these considerations are reasonable and noncontroversial. It is no surprise that Israel, living in a tough and unforgiving neighborhood, envies the United States for its safe neighbor Canada. But if these "standards" are taken as absolutes, they stand to block any peace talks that may get under way.

There are plenty of Israelis, and Americans, who think that any peace within Israel's reach is on that evidence alone not worth it. So bred in the bone, they believe, is Arab hatred for Israel. But if that is the position that Likud is working up to, it needs to be put on the table.

The Washington Post.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1896: Dongola Drills

CAIRO — Three thousand men of the Kabbabish tribe have come into Dongola and are being carefully drilled daily by the Emir Wad Bishara. The dervish leaders are showing great activity in placing the towns in a proper state of defense, and well-informed natives here consider that the fighting in future will be much more severe than is anticipated by the military authorities. The first gunboat for service on the Nile arrives from England to-morrow [July 16].

### 1921: Prince Seeks Job

AMSTERDAM — The ex-German "Kronprinz" is confronted with the necessity of finding some means of earning a livelihood. In an interview with an American correspondent, he said that he is 39 years of age and that he is "obliged to seek any kind of productive work"

of which he is capable. He declared that he would like to return to Germany, and there is no legal obstacle in his way. The thing that keeps him in Holland, he said, is the fear that his return to Germany might provoke dissent in political circles.

### 1946: Court Supported

WASHINGTON — America intends to give active support to the World Court at The Hague, to abide by its decisions, and to participate in its work, the American Under Secretary of State Mr. Dean Acheson said today [July 15]. Giving evidence before the Foreign Relations Committee, he declared that President Truman and Secretary of State James F. Byrnes had carefully weighed the matter and had recommended that the United States accept the jurisdiction of the Court. The Court was formally inaugurated at The Hague on April 18.

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## OPINION/LETTERS

## Democrats Ought to Talk Before Starting to Brawl

By E. J. Dionne Jr.

WASHINGTON — This week, the war for the future of the Democratic Party begins.

There will be no shooting. But make no mistake: The truce in the party — reflected in the ease with which it produced a platform draft last week — will end at the exact moment when the last polling place closes in November.

On Wednesday, a group of liberal and pro-labor politicians, activists and intellectuals will announce the creation of an organization called the Campaign for America's Future. It wants to do for liberal Democrats what the Democratic Leadership Council did for party moderates and what Newt Gingrich's various organizations did for Republican conservatives: to organize politically, to develop ideas and to change the terms of political debate.

"America's Future will insist that the question of falling wages and rising insecurity be placed at the center of our national debate," declares its manifesto in

Democratic Leadership Council, argues that Democrats kowtow too much to that base. The America's Future Democrats are tough on big corporations, income inequality and tax breaks for the wealthy. The DLC Democrats are tough on bureaucrats, "equal results" and income redistribution.

Big political and intellectual brawls can clarify issues, but they can obscure just as many. These two kinds of Democrats might consider whether their coming confrontation, rooted in past conflicts, is the best way to usher in the new Progressive Era.

For as striking as the differences in these manifestos are their similarities. Both argue that America is at a turning point because of the large economic transformations under way. Both assert that American workers need help from government to make the most of the new times.

Both see workers as getting too small a share of the growth created by corporate restructuring. Both worry about the declining loyalty of employers to employees, and both worry about the impact of this on families. Both think economic growth should be faster. Both see the international economic institutions that did so much to spur expansion after World War II as out of date and in need of revival.

If these two groups of serious progressives want to argue, they should argue about the right things. The DLC Democrats could challenge the American Futurists to look at new ways of achieving shared objectives.

The DLCers are right to suggest that job training vouchers, charter schools and other programs designed to push decision-making closer to the individual can work better than centralized programs. They are also right to challenge education and social service bureaucracies.

The Futurists, in turn, are right to challenge the DLCers to see that for all the DLC's rhetorical fire against "redistribution," many of its own programs are redistributive. That is because one of central issues before the country is whether income and wealth are being redistributed away from people in the middle and at the bottom of the economy.

And if decentralized decision-making is good, we need to re-examine not only how government works, but also how economic institutions work, too.

Reliving old fights can be fun for those involved, but it is useless for everybody else. The leaders of these two groups should thus pause for a moment, sit down and have a drink (seltzer if you insist), and establish some rules of engagement. They might then have a debate worth having.

The Washington Post.

If these two groups of serious progressives want to argue, they should argue about the right things.

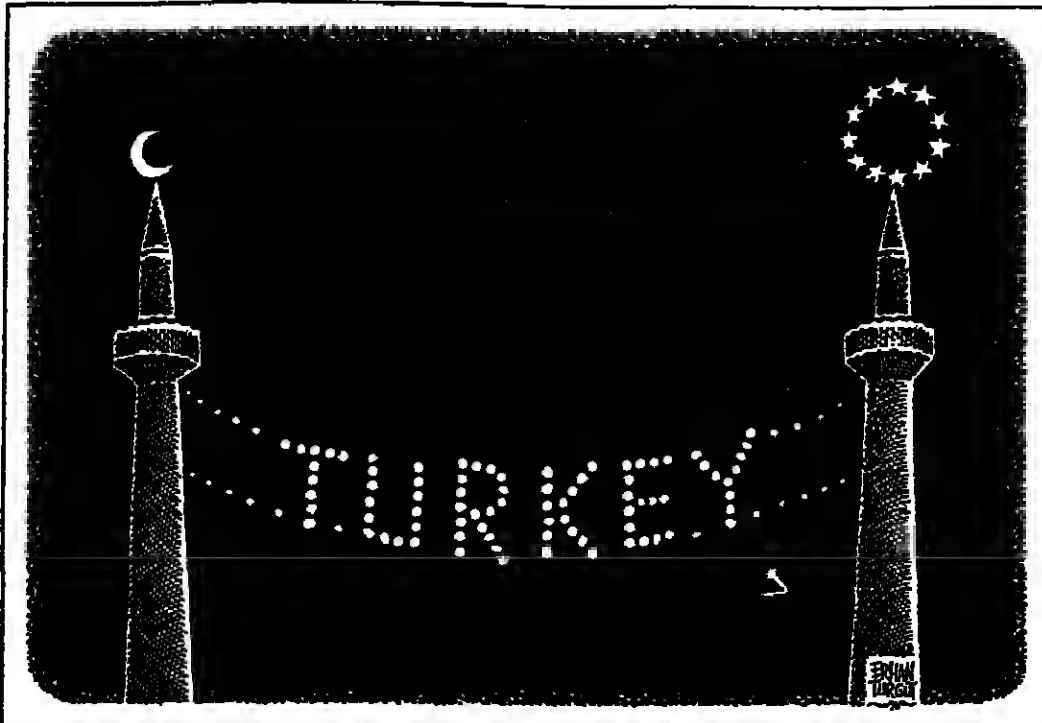
an echo of the new leadership at the AFL-CIO. The group's core argument is that it is not liberal policies that have failed over the last two decades. The flaw, they say, lies with "an entrenched elite consensus" which asserts that little can be done to restore living standards.

Wednesday's event will come a week after a different manifesto, this one from a foundation associated with the moderates of the Democratic Leadership Council.

The DLC's writers — their document is called "The New Progressive Declaration" — also say they are looking ahead four years. "New progressives seek to replace the old politics of top-down paternalism with a new politics of individual and civic empowerment," their document says.

"Ultimately, our challenge is to create a new way of governing that fosters the skills and habits of civic enterprise that have atrophied over the past century of centralization."

Behind the rhetoric lurks the power struggle. Robert Borosage, co-director of America's Future, says the group is unapologetic about representing the traditional base of the Democratic Party: labor, African-Americans, environmentalists, big-city dwellers. But Alvin From, president of the



## LETTERS TO THE EDITOR

## France: It's Time for Repairs in Paradise Frayed

The economic and social situation in France has recently been the topic of some very interesting reports and editorials in your paper. Most of them outline the strong potential of the French economy, should the country manage to rid itself of its social rigidities and reduce the level of unemployment.

As the manager of the British subsidiary of a small French company, I can only concur with this opinion, and at the same time be extremely doubtful as to whether the necessary reforms will be forthcoming anytime soon. Yielding to trade unions that — with an all-time low in membership — are generously kept in business by the welfare-management role granted them, the government is sacrificing France's competitiveness and industrial potential on the altar of demagoguery and laziness.

The British model is held as an anathema by the whole spectrum of French politics, labeled as ultra-liberal and socially insensitive. However, I invite my fellow coun-

trymen to take the Eurostar and come and see for themselves. Britain is currently enjoying Europe's lowest unemployment rate. Despite lower gross salary levels, British workers take home bigger paychecks than their French counterparts; they benefit from a social security system which ensures that their basic needs are met. I cannot help thinking that one is better off in London with a job and prospects of growth than unemployed in Paris listening to reports on the latest downsizings.

I am probably not the only one thinking that Britain's so-called workers' hell may be sweeter than France's socially conscious paradise. The number of well-trained French graduates moving here to find a job is increasing steadily. The next threat to the French economy, should the status quo remain, is just beginning to show: the flight of its young elite of multilingual graduates of the *Grandes Ecoles*.

T. PERRIN-CHATTARD, London.

## Russians Voted 'No'

Regarding, "Russians: Clear Destination, Unclear Map, Arrival Probable" (Opinion, July 3) by Thomas L. Friedman:

Russians did not vote for an open society with a free market. They voted against a new Communist takeover. In the first round of the presidential elections, Boris Yeltsin collected only one-third of the vote. In the second round, he won thanks to the alliance with the diehard nationalist and self-declared "semi-democrat" General Alexander Lebed. The elections may have been free, but they were not fair. Mr. Yeltsin basically suc-

ceeded due to brainwashing via the mass media, foremost television. How can an election be called fair when opposition candidates — including liberal democrats like Grigori Yavlinsky — were denied free access to the mass media to present their points of view?

BOTHKO KIRSCH, Overath, Germany.

## Progress by the UN

Regarding the report "Nettled by Criticism, UN Details 'Concrete Results' in Improving Efficiency" (July 8):

The article quotes James Phillips of the Heritage Foundation as

saying, "The UN should abandon unreachable utopian goals such as 'eradicating poverty' or health care for all by the year 2000." Few people seem to know of the immense progress being made on both of those goals. Unicef has succeeded in its campaign to immunize 80 percent of the world's children by 1990. Its goal now is to reach 95 percent, and to have in place primary health care networks to perpetuate this success.

Another UN agency, the International Fund for Agricultural Development, has led in getting very small loans to the poorest of the poor to start small businesses. The record is stunning both for loan payback rates and lifting people out of poverty. The payoff for the United States as well as other countries is increased trade far in excess of the relatively small sums invested.

BRUCE UNDERHILL, San Diego, California.

## Democracy Takes Time

Regarding "An Interrogation in Gaza Speaks Volumes About Arafat" (Opinion, July 3) by Anthony Lewis:

Mr. Lewis writes that Dr. Eyad Sarraj's imprisonment and torture "says a good deal about Yasser Arafat and the Palestinian situation." He goes on to say that "in a democratic society" criticism of a president would not elicit such a response. In a perfect world, we could double-click on the mouse and order up democracy for all newly emerging political entities.

But in fact, democracy must be developed in stages. It should be recognized that Mr. Arafat cannot procure a Western form of democracy within the enormous constraints he is currently facing.

R. LEE MURPHY, Taipei.

## A Concept Gone Astray Poses a Risk for Women

By M. Patricia Fernandez Kelly

BALTIMORE — A colleague of mine who has taught for more than a decade at a prestigious university was approached last October by a distressed graduate student, a woman in her late 20s.

Six months earlier, the student had begun what used to be known as an "affair" with a male professor. Unfortunately, the entan-

ment had ended in angry confrontation. The student now realized she had been the unwitting victim of sexual harassment and was considering a formal complaint to the authorities.

My colleague, a professional known for her interest in women's issues, offered sympathy. She agreed that an official complaint was feasible but noted that the student's involvement had been voluntary. She also suggested professional counseling.

The conversation concluded with my colleague feeling confident that she had stood in solidarity with the young woman. Less than a week later, she learned that the student had filed charges against her former lover — and my colleague. The grounds: my colleague's alleged willingness to let a male professor "off the hook" by minimizing his offense.

The accusations became public amid cries of zero tolerance to sexual harassment. At the end of a lengthy investigation, my colleague received a "letter of concern" from the dean; the other professor was forced to resign.

As a longtime feminist, I should be happy, but I am not. Two aspects of this all too common story worry me.

One is the extent to which women's legitimate claims to respect and freedom are being reduced to absurdity by lax legal definitions that equate feelings with actual events.

My second concern relates to the ways in which, as the century draws to an end, a growing reliance on bureaucratic and legal means is demolishing the capacity of individuals to resolve personal conflicts, thus undermining their adult status.

Both trends sadly threaten to subvert women's achievements of the past two decades.

The idea of sexual harassment and the complementary notion of sexually hostile environments owe much of their existence to the women's movement. They were developed by feminist thinkers of distinction, like the legal scholar Catharine MacKinnon. Both concepts were intended to flesh out the meaning of discriminatory practices under Title VII of the 1964 Civil Rights Act.

To repeatedly prey upon women in exchange for granting them jobs, salary increases or good grades was understood to be a gross misuse of power.

Unfortunately, the tendency has been to expand the meanings of sexual harassment. Dangers lurk in that trend. Concepts left to wander without rein mischievously begot a multitude of interpretations, many of which depend exclusively on subjective judgments. A coarse remark, an in-

modest proposal or an insensitive recommendation may be distasteful, even immoral. But to characterize them as sexual harassment does violence to what should be common feminist sense.

When feelings become facts, the stage is set for repression and censorship. That is because, in the absence of tight definitions, almost any behavior can be construed as sexual harassment.

A remark meant as praise can be experienced as an affront, an expression of sexual interest as a breach of trust. Victims, real or imagined, multiply.

Institutions required to abide by federal standards must implement cumbersome administrative processes and pursue investigations that often interfere with the right to privacy. In this new inquisition, the accused are presumed guilty, imputations are transmogrified into evidence, reputations are destroyed.

An open-ended interpretation of sexual harassment thwarts our capacity to identify and alter conditions that truly deter women's advance in employment and education. Violence and sexual abuse do exist, but we do not serve our cause when we misuse "sexual harassment" to assuage hurt feelings.

The whole point of feminism is to boost women's ability to act freely upon the world. Why then are we abdicating our capacity to deal directly with perceived or real offenses? What does it say about women when we so readily yield the power of control and resistance not to the brutal patriarchy of yore but to the new morality police?

Surely there is a place for the law in regulating the content and limits of proper behavior between men and women, between those whose comparative power and those in vulnerable positions. Nevertheless, legal means should be a last resort, not the routine avenue to conflict resolution.

As for my colleague, her sense of trust has been shattered. She is no longer willing to offer advice.

The writer is a research scientist and professor of sociology at Johns Hopkins University's Institute for Policy Studies. She contributed this comment to the Los Angeles Times.

## BOOKS

## MR. TRUMAN'S WAR: The Final Victories of World War II and the Birth of the Postwar World

By J. Robert Moskin. Random House, 411 pages, \$30.

Reviewed by Stanley L. Falk

When Franklin D. Roosevelt died on April 12, 1945, the presidency of the United States and, in effect, the leadership of the free world were abruptly thrust upon the shoulders of a former Missouri farm boy, local politician, and Senate insider named Harry S. Truman. "Mr. Truman's War" is an account of the neophyte president's stewardship of the last 20 weeks of World War II and his management of a host of weighty global problems for which he had had little or no preparation.

In Europe, the final defeat of Germany was already assured, but the emergence of a powerful and willful Soviet Union raised disturbing questions about the fate of that devastated continent. These would have to be thrashed out at the forthcoming Potsdam Conference of American, British, and Soviet leaders, the first occasion for Truman to meet his European counterparts. Even before then, the San Fran-

cisco conference to establish the United Nations would confront such complex and divisive issues as national sovereignty, colonialism, human rights and, for that matter, the structure, procedures and membership of the United Nations itself.

Looming over everything in Truman's mind was the problem of ending the bloody war in the Pacific, where a clearly beaten but stubbornly unrealistic Japan refused to concede defeat. The Soviet Union had agreed to enter that conflict at an early date, but a powerful new atomic weapon, of which Truman until now had been completely uninformed, promised to bring the war to a swift conclusion. There still remained, however, perplexing questions about the meaning of "unconditional surrender" and the fate of the Japanese emperor.

At home, finally, the new president would be faced with the difficult challenge of moving the nation from a wartime to a peacetime economy without falling victim to inflation, high unemployment, or recession. His task would be made even more difficult by disturbing issues of racism and rising fears of communism.

J. Robert Moskin calls this brief period the "great defining event in American history, transforming our society

and our world," and he awards Truman primary credit for conditioning the war's final victories and determining the shape of the new world that emerged. But the nature of the postwar world had probably been already determined by wartime developments. And Moskin does not demonstrate that Truman made drastic changes in American domestic or international policy or introduced significant new initiatives in mid-1945. It would appear, rather, that the new president, seeking to carry out his stated intention of continuing Roosevelt's policies, simply solidified trends and developments already under way.

Moskin is an experienced author who writes engagingly, but his book is based almost entirely on published sources, so adds little to what we already know. "Mr. Truman's War" is nevertheless a good popular history of the period described, emphasizing Truman's role and summarizing the main problems he faced. One comes away from it with new respect for the doctory president, even without accepting all of the author's interpretations.

Stanley L. Falk, a former chief historian of the Air Force and author of *Off to War*, wrote this for *The Washington Post*.

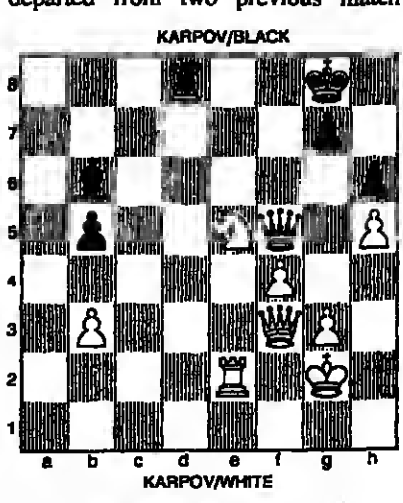
By Robert Byrne

IN Game 16 of the world championship, Anatoli Karpov, facing Gata Kamsky, chose a defensive variation that is known to bring problems but that is all right if you come with solutions prepared. He was empty-handed, however. As early as Move 24 he walked into a cute little forcing sequence that ripped off a pawn.

For a long while after that both players pursued their goals: Kamsky maneuvered to destroy any obstacles to his capitalizing on his material advantage; Karpov tried to find ways to fight back. But then Karpov weakened and played a flawed Move 48. Kamsky pounced on it with a double attack that was guaranteed to win at least a rook for a knight.

The players followed a main line of the Queen's Indian Defense, with Karpov choosing Aron Nimzovich's elongated fianchetto with 4... Bb6 in place of the older 4... Bb7. This gives White four choices: 5 Qc4, when the queen may be left out of action; 5 Qc2, when 5... c5 6 d5? is dubious after 6... e7 7 c6 Bb7 8 e4 Qc7 9 Nc3 Nd5; 5 Nd2, when this knight has less scope than at c3, or the solid 5 b3, which Karpov also uses when he has White.

The repositioning with 5... Bb6 6 Bd2 Be7 puts the black king bishop where it functions smoothly, while the white queen bishop is clumsily developed. With 12... Rc8 and 13... c5, Karpov departed from two previous matches



Position after 48... Kg8

games in which this opening had been played. In both, Kamsky had the black pieces and played 12... Rb8 and 13... b5. The entire sequence through 21 Nc4 is

a fight for mobility, with White generally enjoying the upper hand.

The crowning blunder of the game was Karpov's 48... Kg8? Kamsky came down at once with 49 Nc6!, presenting the double threat of 50 Nd8 to win a rook for a knight and 50 Ne7 to win the queen. Karpov gave up.

QUEEN'S INDIAN DEFENSE			
White Kamsky	Black Karpov	White Kamsky	Black Karpov
1 d4	Nf6	25 Rd7	Rc8
2 c4	e5	26 Qf3	Bf8
3 Nf3	b6	27 Rb7	h6
4 g3	Ba8	28 Kg2	Kb8
5 Bg2	Bb4	29 b4	Kg8
6 Bd2	Be7	30 Kd2	Kb6
7 Bg2	c6	31 Qb5	Rd8
8 Bc3	d5	32 Rf7	Bd4
9 Ne5	Nd7	33 Rb8	Rb8
10 Nd7	Nd7	34 Rb8	Kb7
11 Nd2	0-0	35 Qc3	Bc5
12 0-0	Rc8	36 Rf5	Rc8
13 e4	c5	37 h5	Rd8
14 e5	ed	38 Re5	Qd7
15 d6	de	39 Qe4	Rb6
16 c8	cb	40 Kg2	Rb8
17 Re1	Bb6	41 f4	Rd8
18 ab	Bc5	42 Qf3	Bd4
19 Bc5	Rc5	43 Re2	b5
20 Rf7	Bb6	44 Nd2	Bb6
21 Nc4	Bc3	45 Ne4	Qd1
22 Rd7	Qf5	46 Nf2	Qd1
23 Re4	Qf5	47 Ng4	Qc5
24 Rf4	Qe8	48 Ne5	Kg8
		49 Nc6	Resigns

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## Style



Princess Diana leaving Chelsea Harbour Club; sporty footwear; Bridget Hall modeling Ralph Lauren tank top; Madonna with trainer (and father of her unborn child) Carlos Leon; runner Marie-Jo Pérec as cover girl.

# Redefining Beauty: Women Muscle Into a Fashion Revolution

By Suzy Menkes  
International Herald Tribune

**P**ARIS — The body in question is molded by gymnastics to the peak of its power. It has broad shoulders, swelling athletic thighs and buttocks. Its owner has a deep and narcissistic interest in this body, and its development has become a metaphor of self-discipline and self-development. Is this Princess Diana? No, but it could be. Madonna? No, but she might like it to be. These definitions of physical beauty apply to ancient Greece, when the glorification of the body and the cult of the gymnasium applied only to males.

The revolution of the 1990s is that the Olympic ideal of beauty now embraces women. As the Olympic Games open Friday in Atlanta, the focus is equally on the women competitors, not just for their sporting prowess, but for their rippling, muscled bodies. In the four years since the Barcelona games, the gym-honed

physique has become much more than just the latest slimming fad. It has become a pattern of perfection for the imagination — just as the heroic Greek male torso has been for more than 2,000 years.

The fascination with the new female body beautiful can be registered at the newsstands, where Marie-Jo Pérec, the Guadeloupe-born runner, is on the cover of Elle magazine in a streamlined Reebok swimsuit and used as a model for designer clothes on the fashion spreads. The sophisticated American glossy, Harper's Bazaar, celebrates women's Olympic hopes and dreams on its fashion pages; and a recent issue of Vanity Fair had a fold-out cover promoting athletes in a style normally reserved for Hollywood stars nominated for Oscars.

At the same time, active sportswear has taken over fashion to such an extent that streets might as well be sports stadiums, with sneakers pounding the sidewalks and polo shirts, shorts and the ubiquitous baseball cap a unisex uniform. The invention of stretch fabrics

that move with the body corresponds to the modern fashion outlook that nothing should restrict active movement. For both sexes, the athletic body in a supple pantsuit is a workplace uniform.

Cosmetics have also been transformed from the concept of decoration and makeup for women to skin care and fitness for both sexes. Ralph Lauren's Polo Sport range, with its spa wash, body moisturizers and sprays, is significantly promoted for women as "the architecture of a beautiful body," as though the building has to come from within, rather than an exterior paint job.

The changing mind in the changing body is the most striking message in the 1990s. When Princess Diana decided to get out of a failed marriage and take control of her own life, she followed a pattern set, particularly in America, by the thirtysomething generation. She worked out until her slender body signaled winner, not victim. Now she flaunts her beefy shoulders in cutaway evening dresses as though what once was

achieved with power-suit shoulder pads has now become part of her persona.

The same is true of men who use bodybuilding to create an aura of power and authority. But for women, we are talking about deliberately changing the physique for the first time in recorded history.

**I**F the fashion historian James Laver described clothes as "the furniture of the mind made visible," how much more this is true of a transformed female torso. It is symbolic of all the changes in women's role in the 20th century that the feminine, maternal ideal of rounded breast and stomach should be replaced by broad shoulders, slim waist and hips, flat stomach and well-muscled legs — all the features that have traditionally represented virile masculinity.

The sporty takeover of the fragile female started in the 1920s when women began, literally and psychologically, to flex their muscles. In 1926, the American swimmer Gertrude Ederle beat the

male record for swimming the English Channel; fitness, swimwear and streamlined swimsuits became high fashion on the French Riviera. On the tennis court, the sporty Suzanne Lenglen became Wimbledon's first heroine and fashion icon. Her outfits by Jean Patou, with their relatively short skirts and bared arms, helped to popularize unrestricting clothes that freed female legs for the first time in two millennia.

Sport had become a cult and the leading leisure pursuit by the time of Leni Riefenstahl's promotion of the Aryan body beautiful in her record on film of the 1936 Berlin Olympic Games. And women continued to push for equality in society alongside men.

Looking back from the end of the century, sportswear seems to have been fashion's dominant force. From René Lacoste's airy cotton polo shirts, through Chanel's jersey fabrics inspired from the polo field to the jogging pants and hooded sweatshirts of modern times. Not to mention the feet: Dock-

siders, loafers, riding boots and the ubiquitous sneakers are the defining footwear of the century, for both sexes.

The changing fashion to a more masculine body shape started with the 1920s. Cecil Beaton described the New Woman to readers of Vogue in 1928: "We prefer flat oases and chests and schoolboy figures to bosoms and hips like watermelons in season," he wrote. "We flatten our hair on purpose... and it is our supreme object to have a head looking like a wet football."

Women in the 1920s dieted and exercised, freeing the body from corsets and constrictions, just as they freed the mind from ideas of male dominance and female subservience. Slowly through the century, women started to take control of their own lives and taste the victories of equality.

Victory at last over mind and body! Whether the athletes at Atlanta win or lose, muscle-toned female bodies in the wider world are a triumphant testament to the feminist revolution.

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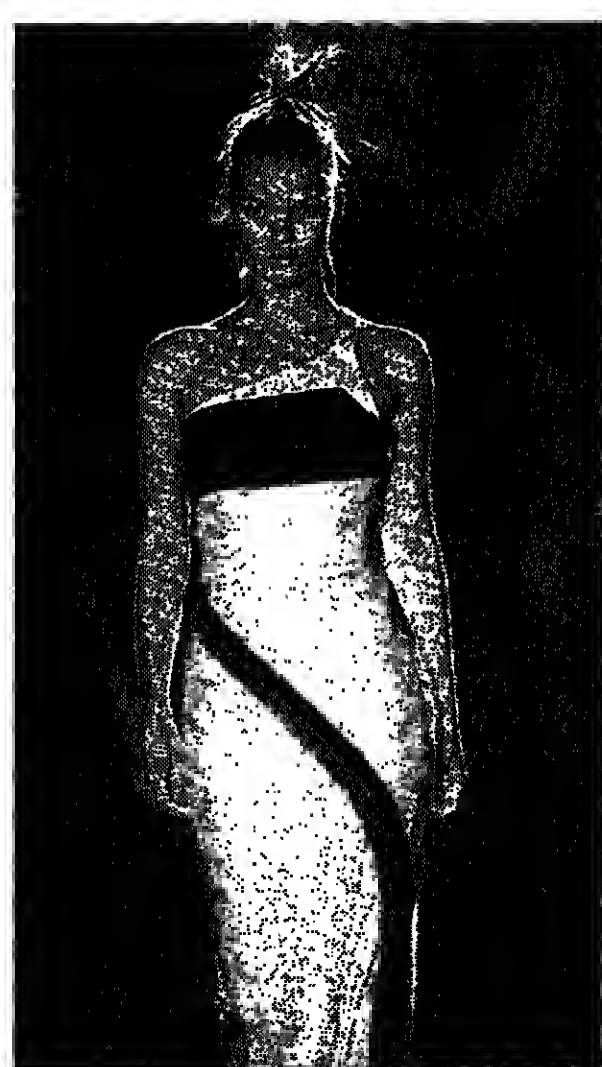
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Versace's geometric effects on a slim-line dress.

## Latest Styles Fit Only the Fit

International Herald Tribune

**P**ARIS — Covering up life's little imperfections used to be the art, the craft and the purpose of haute couture. Like men's made-to-order tailoring, the outfit was adapted to the client and designed to maximize her assets and erase her faults.

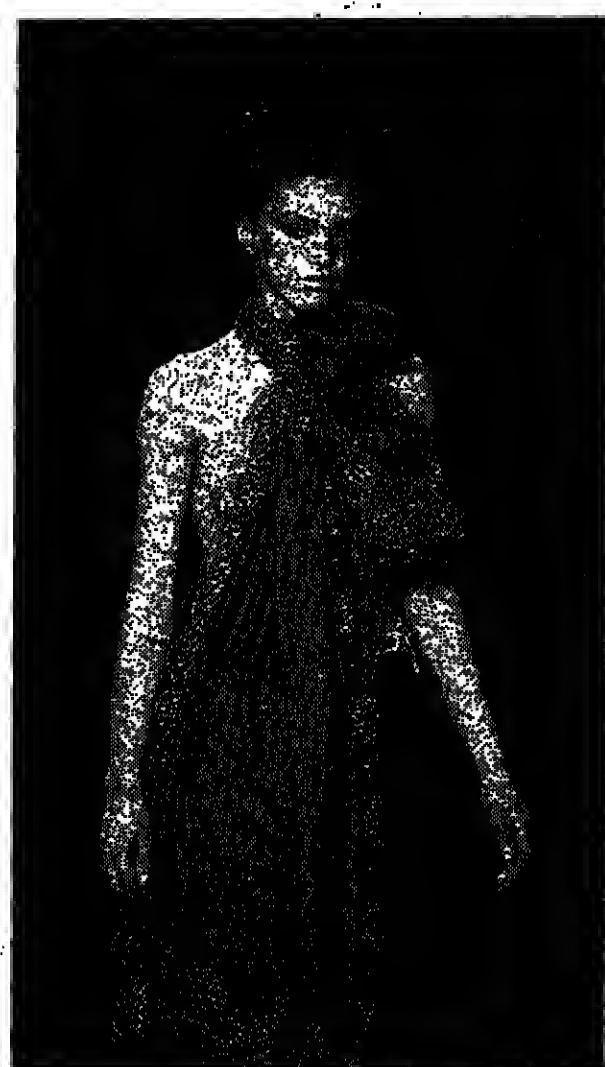
But now, even in high fashion, the body comes first. The designers at last week's couture shows had a message: You bring a great body and we will provide great clothes. And this was for fall/winter collections, which are traditionally more covered up than revealing and focused this season on a calf-length, long-line look.

At Chanel, the daytime outfits were pencil thin — so narrow that only a unitard and leggings could fit under coats that clasped the shoulders and traced the fragile frame to the ankles. At night, dresses were so light and airy that the bodysuited silhouette showed through.

Valentino's creations were in *mille-feuille* layers but gauzyly transparent. His ultimate take on modern luxury was a lace-trimmed ultrafine shawl tied round the oaked torso. Emanuel Ungaro played with softness, stripping coats of substance so that they were elongated cardigans for day or made in flimsy lace and chiffon at night.

Gianni Versace's collections have always been odes to the body — and that was true of his new geometry. By cutting out and piecing together fabric, his covered-up dresses succeeded in revealing flesh through inserts of chiffon.

The newest silhouette came from John Galiano at Givenchy, where Empress Joséphine dresses had fragile shoulders and raised waists. The empire silhouette is traditionally thought to conceal a rounded stomach — and Galiano said that he was inspired by Madonna's pregnancy. But sending out a see-through version underlined the message that in modern couture, the body has no hiding place.



Valentino's lace-edged scarf with pin-striped pants.

## What's in a Name? Plenty — Try Marie Antoinette

By Rita Reif  
New York Times Service

**N**EW YORK — The pedigree of an object may add considerably to its value, as was demonstrated in April at the auction of the Jac-

queline Kennedy Onassis collection.

The prices fetched seemed incredible, but when it comes to prices at auction, even more impressive sums are paid for the possessions of Marie Antoinette. "Marie Antoinette's name in a pedigree works like magic," said William J. Iselin, who heads Christie's European furniture department in France. "It always has a significant impact on the price."

Two years ago, Christie's auctioned for \$1.6 million a pair of Chinese porcelain ewers with French metal ornaments, purple decorations that Louis XVI gave to Marie Antoinette in 1782.

The queen then had her favorite metalworker, Pierre Gouthière, make more elaborate and fashionable mounds of gilded bronze: ram's-head handles, entwined serpents,

swan-shaped spouts and a Bacchic mask.

These splendid vessels changed hands several times among French and British aristocrats. When they were sent to Christie's in 1994 and the royal provenance was established, interest soared, even at Versailles. "The French tried very hard to buy them back," Iselin said. But the bidding exceeded Versailles's budget, and the pair went to buyers who declined to be identified.

"Marie Antoinette had a taste particular to her," said James Parker, curator emeritus of European sculpture and decorative arts at the Metropolitan Museum of Art. "She favored very fancy, frilly furniture. The gilt on some pieces looks like icing. And she didn't want comfortable furniture."

The museum's Marie Antoinette furniture — a pair of gilded chairs, a pair of folding stools, a fire screen, a drop-front secretary, a mechanical table and four wall brackets for lighting — is the largest such holding in an American museum. Parker writes about these pieces in "Period Rooms of Art," to be published in November by Harry N. Abrams.

The appeal of things that belonged to the extravagant queen of France who was guillotined during the French Revolution was tested twice this spring in auctions at Sotheby's in New York.

In May, one of her porcelain dinner services brought \$862,500. And a leather box in the Onassis sale, bearing the arms of the queen, was sold for \$118,000. The price

of the box was seven times what Mrs. Onassis paid for it in 1981, which says as much about her enduring popularity as it does about the surge in prices for French furniture.

Some years earlier, in 1972, a Marie Antoinette table owned for years by Henry Ford II and his first wife, Anne, was sold by her for \$400,000 at Sotheby's. In 1988, that table was sold again at Sotheby's in London by the British Rail Fund, bringing \$3.2 million.

The French government has bought many objects once owned by Marie Antoinette and returned them to Versailles. In 1977, it acquired her drop-front desk from Sotheby's for \$87,720, twice what the auction house expected.

Marie Antoinette's jewelry-cabinet-oo-a-stand may

also be back at Versailles someday. The porcelain-covered piece was owned until 1991 by Roberto Polo, a Cuban-born financier who became a fugitive. It was then auctioned at a court-ordered sale held in Paris and brought \$4.1 million, a record for French furniture.

"Quality furniture has always brought high prices, regardless of whether the provenance was known or not," according to Thierry Müllerand, a European furniture specialist at Sotheby's. "But the prices paid for Marie Antoinette's possessions are exceptional. Why? There's more mystery, more awe connected to her than others. And her name is known to almost everyone. But the interest in Marie Antoinette would not be what it is without her tragic end."

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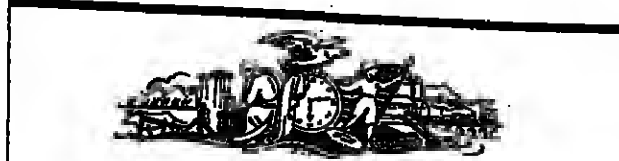
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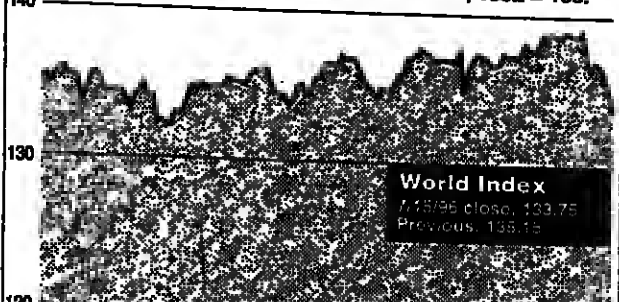


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Utilities	127.11	126.83	+0.22
Finance	115.59	116.13	-0.46
Services	126.28	127.42	-0.88
Capital Goods	136.22	141.17	-2.09
Raw Materials	157.20	158.51	-0.83
Consumer Goods	143.05	144.48	-0.99
Miscellaneous	134.51	135.91	-1.03

For more information about the index, a booklet is available free of charge. Write to Trib Index, 161 Avenue Charles de Gaulle, 92221 Neuilly Cedex, France.

## French Boardrooms Besieged

### Chirac Blames Executives for Economic Woes

Barry James  
International Herald Tribune

PARIS — With the head of French railways in jail on suspicion of corruption and the governor of the central bank castigated for inefficiency by the president, these are not easy times for France's industrial and financial elite.

Loïc Le Floch-Prigent, the chairman of the state railroad company, SNCF, began a second week in prison Monday, as the government stepped up the search for a successor.

The transport minister, Bernard Pons, warned earlier that he would have to replace Mr. Le Floch-Prigent if his incarceration lasted beyond Monday, when an appeals court was to hear his plea to be released. But the court said Monday it was postponing its hearing until Thursday.

The railway chief is the first industrialist to be jailed in a wave of investigations into corruption and the illegal financing of political parties. He is being asked about questionable investments made when he was boss of the Elf Aquitaine SA, France's biggest in-

dustrial holding, from 1989 to 1993.

With regard to Mr. Le Floch-Prigent, who has been in prison since July 4, the government's view is that SNCF cannot indefinitely weather a financial and labor crisis with no one at the helm.

Mr. Le Floch-Prigent was brought in after the railway strike in winter as the man thought most capable of winning union assent to a major restructuring of the deficit-ridden network.

The investigating judge, Eva Joly, has opposed freeing him because of what she said was pressure on witnesses and the danger that documents could disappear. While the government sought a candidate to take over from Mr. Le Floch-Prigent, President Jacques Chirac launched what appeared to be an attack on Jean-Claude Trichet, the governor of the independent Bank of France, and bankers in general.

In his speech marking the July 14 Bastille Day holiday, the president lashed out at what he called the poor management of France's state-owned banks, their record of failure in helping French business and their insistence in keeping interest

rates higher than they need be.

Political observers interpreted this as an attack on Mr. Trichet, who was responsible for overseeing the state banks before moving to the central bank, and who has recently been boasting of a low level of interest rates.

Mr. Chirac derided some bankers as "probably very brilliant personalities" but said they had proved to be poor business executives. Mr. Chirac said France's state-owned banks were among the least profitable in the Western world.

Mr. Chirac's remarks, the accusations against Mr. Le Floch-Prigent, and the jailing last week of a former minister of communications for accepting kickbacks all seem to fit into a pattern of reaction against the so-called *les années flic* — the years of easy money — under former President François Mitterrand.

While no one claims that France has defeated its problems of corruption and inefficient management, Mr. Chirac warned that the country would require greater efficiency and honesty from its managers in the future.

## Dollar Slips Amid Speculation About U.S. Interest Rates

NEW YORK — The dollar fell Monday against other major currencies as traders awaited reports on the state of the U.S. economy this week and companies continued to reduce their currency holdings during the summer holidays.

But the dollar rose slightly in Europe, with speculation about the outlook for European interest rates dominating market sentiment.

In New York the dollar closed at 1.5158 Deutsche marks in late trading, down from 1.5238 DM on Friday, and at 110.275 yen, down from 110.875 yen. The dollar finished at 1.2500 Swiss francs, down from 1.2599 francs, and at 5.1350 French francs, down from 5.1568. The pound closed at \$1.5523, up from \$1.5516.

"speculation" Monday a newspaper report that it was planning to raise its discount rate, charged on loans to commercial banks, to 1.0 percent from 0.5 percent as early as this month. Such a move would be the first tightening of the rate in six years.

Elsewhere, the major European currencies traded narrowly ahead of the release this week of German M-3 money supply figures for June. M-3 is one of the key measures used by the Bundesbank to determine monetary policy. (AFP, Bloomberg)

## OECD Report Sees Weak Job Growth

PARIS — The latest economic projections by the Organization for Economic Cooperation and Development suggest "little improvement" in the unemployment problems of industrial countries over the next two years. Job growth is expected to be particularly weak in Europe.

The organization warned against a widening gap in wages, particularly in the United States and Britain, and called for governments to change tax and benefit rules.

"OECD societies confront some worrying inequalities which are straining the social fabric," the report said. "When inequality widens, this can lead to more marginalization, an increase in poverty and exacerbation of budgetary pressure on existing social safety nets."

According to the report, unemployment across the group is set to grow to 7.7 percent in 1996 from 7.6 percent last year, equivalent to 33.8 million people. It is then expected to fall back to the 1995 level.

The unemployment rate for Central and Western Europe is expected to rise to 9.4 percent in 1996 and 9.3 percent in 1997, from 9.0 percent.

U.S. unemployment is seen as dipping to 5.5 percent in 1996 and then rising to 5.6 percent in 1997.

## Is It Possible to Pressure Burma?

By Michael Richardson  
International Herald Tribune

SINGAPORE — When Heineken NV said last week it was withdrawing from a \$30 million brewery investment in Burma, its Singapore-based partner said it would take over the Dutch brewer's share.

A couple of days later, Thein Tun, one of Burma's wealthiest businessmen, said he was negotiating with Asia-Euro Brewery Ltd., of Malaysia to continue a separate brewery project in Burma that the Danish brewer Carlsberg AS abandoned last week after months of protests and boycott threats by human rights activists.

As groups in the United States and Europe critical of the Burmese mil-

itary regime intensify pressure to boycott Burma, other companies — especially those from Asia — seem happy to step into the breach.

A Western businessman who frequently visits Burma said Monday that if companies from the United States and Europe were forced out, "more Asian companies will step in because they want to capitalize on the attractive business opportunities there."

Heineken and Fraser & Neave Ltd., a Singapore-based food and beverage company, are partners in Asia-Pacific Breweries Ltd., which has brewing operations in Southeast Asia and Papua New Guinea.

Through Asia-Pacific Breweries, they had planned to take a 60 percent

stake in a brewery they were to build in Rangoon with Myanmar Economic Holdings Pte., a company which Heineken acknowledged was controlled by the Burmese military.

Now, Fraser & Neave will buy Heineken's equity in the Burma project for an undisclosed price, executives said.

Burma is seen by some as a new frontier for development in Southeast Asia. Asian countries experiencing rapid economic growth want access to Burma's rich resources as well as other business opportunities they see there.

But lawmakers in the United States and the European Union are

See BURMA, Page 15

## Thinking Ahead / Commentary

### Latin America Forges Ahead on Trade

By Reginald Dale  
International Herald Tribune

WASHINGTON — In today's fast-changing world, the United States can no longer take time out from economic leadership and expect everyone else to stand still — not even in its own backyard.

While President Bill Clinton shrinks from new international trade initiatives for fear of alarming U.S. voters, a resurgent Latin America is forging ahead on its own.

Countries throughout the Western Hemisphere are creating their own patchwork of trading arrangements without waiting for the U.S.-inspired hemispheric free-trade area that was solemnly launched at a summit meeting in Miami in December 1994.

The Miami meeting, which agreed to negotiate a Free Trade Area of the Americas by 2005, ended with fulsome promises of hemispheric cooperation. But as it turned out, the meeting constituted the last hurrah of the activist trade policies that marked Mr. Clinton's first two years in the White House.

The key question now is whether the United States will resume its traditional trade leadership role once November's elections are over, whichever party wins. If it does, Mr. Clinton's time-out may not, in the end, prove too costly.

If it does not, the risk is that protectionist forces will gain strength, in the United States and elsewhere, and the

open world trading system will be undermined. The consequences would not be limited to the Western Hemisphere.

But more is at stake in Latin America than trade alone. With free-market democracies taking root throughout the region, "it would be a historic mistake to turn away from the Latin Americans at the very moment that they are aspiring to forge the kind of societies we have long advocated," warns Robert B. Zoellick, who was a senior foreign policy official under former President George Bush.

### Economic integration will proceed in Latin America with or without U.S. leadership.

The irony is that until recently the United States had to spur the Latin American countries on to free trade. Now, as liberalization and economic growth sweep the region, the tables are turning — it is Washington that needs to be prodded.

While the Free Trade Area of the Americas languishes, the Mercosur customs union between Brazil, Argentina, Paraguay and Uruguay is proving unexpectedly dynamic. Last month Mercosur signed a highly significant free-trade pact with Chile, and Bolivia and Venezuela are next in line.

Mr. Clinton's original plan was to use Chile as the next building block of

hemispheric free trade by bringing it into the U.S.-dominated North American Free Trade Agreement alongside Canada and Mexico.

But Washington cooled toward that idea after the Mexican financial crisis made NAFTA more unpopular than it already was with American voters.

Mr. Clinton also realized that to win the necessary negotiating authority from Congress, he would have to drop demands that environmental and labor provisions be included in the deal with Chile — thus alienating some of his key supporters in the labor and environmental lobbies.

All this suits the aspiring leader of Latin America — Brazil — very well. Brazil prefers a slow move to hemispheric free trade so that it can build a South American Free Trade Area around Mercosur as a negotiating counterweight to NAFTA. In that way, Brazil hopes to be better able to resist the American demands and NAFTA disciplines that it finds objectionable.

That may not be so easy. North America still represents the vast bulk of the hemisphere's economic output. The size of the NAFTA market gives it much more bargaining power than any potential South American rival. Mercosur is still far from being a genuine free trade area.

But it is at least one clear that economic integration will proceed in Latin America with or without U.S. leadership. The next U.S. administration will have to decide which of those alternatives it prefers.

## CURRENCY & INTEREST RATES

Cross Rates		£	DM	FF	Lin	DKr	SFr	Yen	CS	Eurocurrency Deposits	July 15	July 16
Australian dollar	1.36	2.45	12.27	6.08	2.111	—	5.61	1.34	1.546	1.328	—	—
Belgian franc	33.33	66.66	133.33	6.08	2.111	—	5.61	1.34	1.546	1.328	—	—
British pound	1.56	2.45	12.27	6.08	2.111	—	5.61	1.34	1.546	1.328	—	—
Canadian dollar	1.27	1.02	1.08	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06
French franc	6.55	13.10	26.20	26.20	26.20	26.20	26.20	26.20	26.20	26.20	26.20	26.20
German mark	1.93	3.86	7.72	7.72	7.72	7.72	7.72	7.72	7.72	7.72	7.72	7.72
Italian lira	2.36	4.72	9.44	9.44	9.44	9.44	9.44	9.44	9.44	9.44	9.44	9.44
Japanese yen	136.79	273.58	547.16	547.16	547.16	547.16	547.16	547.16	547.16	547.16	547.16	547.16
Spanish peseta	166.64	333.28	666.56	666.56	666.56	666.56	666.56	666.56	666.56	666.56	666.56	666.56
Swedish krona	10.48	20.96	41.92	41.92	41.92	41.92	41.92	41.92	41.92	41.92	41.92	41.92
Swiss franc	1.48	2.96	5.92	5.92	5.92	5.92	5.92	5.92	5.92	5.92	5.92	5.92
U.S. dollar	0.75	1.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00

Source: Reuters, London. Bank Rates applicable to interbank deposits of \$1 million minimum (or equivalent).

Key Money Rates		U.S. dollar	£	DM	FF	Lin	DKr	SFr	Yen	CS
Bank of America	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Bank of Montreal	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Bank of Paris	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Bank of Tokyo	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Bank of West	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

Source: Reuters, London. Bank Rates applicable to interbank deposits of \$1 million minimum (or equivalent).

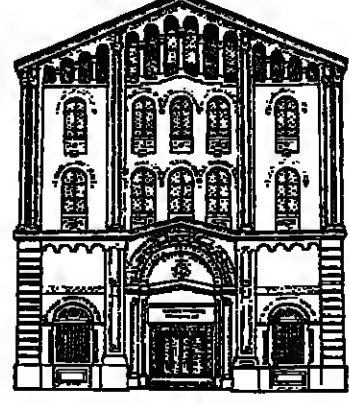
Key Money Rates		U.S. dollar	£	DM	FF	Lin	DKr	SFr	Yen	CS
Bank of America	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Bank of Montreal	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Bank of Paris	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Bank of Tokyo	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Bank of West	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

Source: Reuters, London. Bank Rates applicable to interbank deposits of \$1 million minimum (or equivalent).

Key Money Rates		U.S. dollar	£	DM	FF	Lin	DKr	SFr	Yen	CS
Bank of America	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Bank of Montreal	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Bank of Paris	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Bank of Tokyo	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Bank of West	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

Source: Reuters, London. Bank Rates applicable to interbank deposits of \$1 million minimum (or equivalent).

Key Money Rates		U.S. dollar	£	DM	FF	Lin	DKr	SFr	Yen	CS
Bank of America	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Bank of Montreal	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Bank of Paris	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Bank of Tokyo	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Bank of West	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00



Our Geneva subsidiary, specialized in Private Banking since 1876.

## You've got the vision. We've got the know-how.

You see things for what they are. And also for what they could be. It's the kind of vision that ignites and fuels the entrepreneurial spirit. We at Credit Lyonnais Private Banking share this vision. And, equally important, we have the knowledge, specialized products and services to help you get where you want to go.

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## EUROPE

# First Airbus Order By GE Lease Unit Is For Up to 90 Jets

Compiled by Our Staff From Dispatches

PARIS — General Electric Co. of the United States placed its first order with Airbus Industrie on Monday, a deal for up to 90 planes that gives the European consortium a lift in its battle with Boeing Co.

General Electric Aviation Services, a GE leasing subsidiary, ordered 45 jets and took options on 45 more.

The purchaser said the order would exceed a value of \$2.5 billion, based on "published prices."

But industry sources stressed that the leasing company would have

been able to command a large discount, considering the size of the deal. A spokesman for Airbus, based in Toulouse, France, refused to specify the price.

"It's an important order but not the biggest order," a spokesman said, noting that the Airbus decision in April to increase its production levels to 185 planes from 135 annually had already taken the pending order into account.

The deal has been flagged in the specialized press since January, when the General Electric subsidiary placed a \$4 billion order with Boeing for 107 jets.

In the new deal, GE signed 40 firm orders, with 40 options for 320 Airbus A-320 family. It also placed five firm orders and five options for the long-range, four-engine A-340-300.

The engines for the Airbus planes will be supplied by CFM International, a joint venture of General Electric and the French state-owned Snecma.

The GE subsidiary had never ordered Airbus planes before this deal. Jim Johnson, who heads the leasing division, said he expected a long collaboration between GE and Airbus.

The Airbus Industrie managing director, Jean Pierson, said the new client would "enable us to significantly increase our global market penetration."

The order is particularly important because it follows a 1.5 billion contract signed by China in April for 30 A-320 and 38 firm orders from the International Lease Finance Corp. in March worth \$3.5 billion.

Since the beginning of the year, Airbus Industrie has clinched 181 definite orders, a figure significantly higher than it has had at this point in the past two years but lower than Boeing, which has sold 232 aircraft since the start of the year.

Last year, Airbus sold 105 aircraft, compared with 125 in 1994 and 38 in 1993.

Mr. Pierson has said he intended to win more than half the world market before the year 2000.

Airbus is owned by the French company Aerospatiale SA, British Aerospace PLC, Daimler-Benz AG of Germany and Construcciones Aeronauticas SA of Spain. They decided last week to change the consortium into a corporation.

(Reuters, AFP, Bloomberg, AP)

## Foreign Growth Lifts Siemens Net

Compiled by Our Staff From Dispatches

CERNOBILIO, Italy — Siemens AG net profit rose 18 percent in the first nine months of its fiscal year, boosted by strong growth in international business, the electronics company said Monday.

Net profit rose to 1.65 billion Deutsche marks (\$1.1 billion) in the nine months to June 30, up from 1.41 billion DM in the corresponding period the year before.

Sales rose 7 percent, to 64.5 billion DM and orders advanced 9 percent, to 72.8 billion DM.

Profits were driven by the energy, semiconductor and memory components divisions. Analysts said Siemens would not suffer as much as some U.S. technology companies from current oversupply.

The Siemens chairman, Heinrich von Pierer, said full-year profits would be higher than previously expected as a result of earnings from the sale of the printing division of the computer maker Siemens Nixdorf Informationssysteme AG.

The company has predicted a 20 percent rise in profit.

Despite the bright outlook, Mr. von Pierer said the company was not profitable enough, and that with a return on capital of 10 percent it was still short of its 15 percent target.

"In international comparison we earn too little," he said.

The chief financial officer, Karl Hermann Baumann, indicated the company was considering raising its dividend, which was 13 DM last year. "If profits allow, we will do something with the dividend," he said.

# Shake-Up Looms for DAX

## 2 Firms Likely to Leave German Stock Index

Compiled by Our Staff From Dispatches

FRANKFURT — Deutsche Börse AG, the holding company for Germany's stock exchanges, probably will drop two large but troubled companies from the DAX index of 30 leading German shares following its annual review of the benchmark stock index, analysts said Monday.

The changes, to be announced Tuesday after the end of trading and effective Sept. 23, would add Deutsche Telekom AG to take its place in the elite club of leading German shares immediately after the telecommunications company goes public in November. Market speculation suggests that Munich Re, Europe's largest reinsurer, is the most likely candidate to enter the DAX alongside Telekom.

Analysts say the top candidates for relegation are Metallgesellschaft AG, which narrowly held onto its place in last year's review, and tire manufacturer Continental AG. Both companies suffer from poor market capitalization and weak sales, but both have been lobbying to retain their DAX membership.

Loss of DAX 30 membership can mean a significant loss of liquidity for a company's shares, as many investors buy and sell DAX constituents as a package. The DAX 30 cast-offs will automatically drop into the MDAX index of 70 medium-sized companies.

"For the companies, it may not be a bad thing in the long run," said Christoph Bruns, a fund manager at Union Investment GmbH.

"It is always better to be a big fish among smaller fish."

Still, foreign investors, who generally target the biggest German stocks, may lose interest in the DAX dropouts. "We do tend to look at the top companies," said Richard Coughlan, a fund manager at Strategic Investment Services in Wayne, Pennsylvania.

Last September, Deutsche Börse dropped Deutsche Babcock AG, a machinery and trading company, in favor of SAP AG, the software writer. Since then, shares of SAP have dropped 12 percent, while Deutsche Babcock shares have fallen 56 percent.

Recommendations for changes to the DAX are made by Deutsche Börse management by an advisory committee that includes representatives of the exchange, banks and brokerage houses.

Analysts say Metallgesellschaft may have strong support among the bankers on the committee, since German banks have rescued the metals conglomerate several times.

However, Metallgesellschaft, under pressure in recent weeks, held its own on Monday, finishing the day at 26.20 Deutsche marks (\$17), up 20 pfennig. Continental fell 21 pfennig to 23.30 DM.

The changes would be the second shake-up in the DAX since the beginning of the year. Deutsche Börse has already agreed that retail group Kaufhof AG would be replaced by Metro AG, into which Kaufhof was merged.

Munich Re, whose full name is

Münchener Rückversicherungs-Gesellschaft AG, has said it fulfills all the criteria for a place on the DAX and has vowed to split its stock to make its shares cheaper, if its shareholders approve.

However, some traders said Munich Re lacked the liquidity to make it an attractive big-ticket share. Munich Re shares rose 2 percent Monday, to 3.305 DM.

(Bloomberg, Reuters, APX)

## Wages Not the Problem

Bureaucracy and inflexible capital and labor markets are the major impediments to German competitiveness, not high labor costs and taxes, according to a report released Monday by the Ifo economic institute and quoted by Bloomberg Business News in Munich.

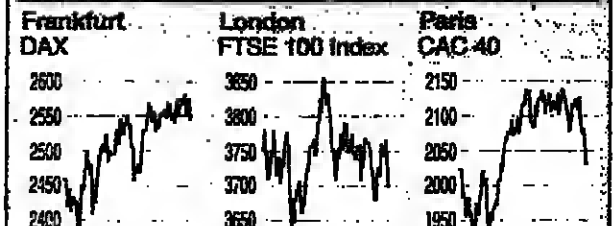
A comparison with five other major industrial countries failed to pinpoint high labor costs and tax levels as the main reason for low investment levels in Germany, the study said.

The study comes amid a debate fostered by economic stagnation and high joblessness, with German unions, industry and government squaring off on labor conditions, taxes and regulation.

"Deregulation is needed," Ifo said. "Approval takes too long. Rules for entering a market are too restrictive and labor law is not flexible enough."

The Federation of German Industry criticized the study, saying it failed to take account of the effects of higher costs in Germany than in other countries.

## Investor's Europe



Exchange	Index	Monday Close	Previous Close	% Change
Amsterdam	EOE	598.24	547.01	+1.42
Brussels	Stock Exchange	9,322.06	9,362.22	-0.43
Frankfurt	DAX	2,510.83	2,544.26	-0.23
Copenhagen	Stock Market	413.18	412.28	+0.21
Helsinki	HEX General	2,612.80	2,618.12	-0.21
Oslo	OBX	464.35	468.81	-0.91
London	FTSE 100	3,580.30	3,729.30	-0.39
Madrid	Stock Exchange	358.29	363.41	-1.41
Paris	STOXX	9,322.06	10,247.00	-3.14
Stockholm	STX 16	1,996.73	1,994.75	+0.10
Vienna	ATX	1,949.85	1,958.85	-0.66
Zurich	SF	2,468.97	2,427.74	+0.77

Source: Reuters

International Herald Tribune

## Very briefly:

• Banco Español de Crédito SA, or Banesto, posted a 32.8 percent increase in net profit in the first half, to 14.5 billion pesetas (\$113.2 million), as increased trading profit helped offset falling earnings on loans.

• Volkswagen AG, responding to Spanish and German press reports, said it had not decided whether to retain Juan Llorens, chief executive of the unprofitable SEAT SA unit, when his contract expires in November.

• Salvatore Ferragamo Italia SPA is buying back the rights to Emanuel Ungaro perfumes from Chanel SA of France. Terms of the agreement were not disclosed.

• STET shares fell 5.6 percent Monday amid speculation that it would spin off four units, delaying privatization of the state-controlled telecommunications holding company, whose full name is Società Finanziaria Telefonica.

• British Energy PLC shares fell far below their initial offering price in their first day on the London Stock Exchange.

• Russia's gross domestic product fell 5 percent in the first half, indicating a lingering recession. (Bloomberg, Reuters, AFP)

## Mediaset Rises in Debut

Bloomberg Business News

MILAN — Shares in Mediaset SPA rose almost 5 percent on their first day of trading Monday.

The television broadcaster's shares closed at 7,316 lire (\$4.78), up from the sale price of 7,000 lire. The shares rose despite a 3 percent drop in the overall market.

Analysts said Mediaset shares would have risen further if Silvio Berlusconi, Mediaset's controlling shareholder, and three associates had not been indicted for fraud on Friday.

"If it hadn't been for the corruption indictment, which just happened to come out the day before the first day of trading of the stock, it would have performed even better," said Filippo Monesi, a fund manager at Cimo SIM. "If this hadn't happened, the share price would have broken 8,000 lire today."

## WORLD STOCK MARKETS

Monday, July 15

Prices in local currencies.

Telecom

High Low Close Prev.

Amsterdam

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High Low Close Prev.

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High Low Close Prev.

Johannesburg

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High Low Close Prev.

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**Monday's 4 p.m.**

**The 1,000 most-traded National Market securities  
in terms of dollar value, updated twice a year.  
The Associated Press.**

[illegible]**NYSE**

**Monday's 4 p.m. Close**  
(Continued)

CO	12 Month	52 Week	Div	Yld	PE	52 Wk High	Low	Last Price
	High	Low						
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## SPORTS

## World Cup Memories

### First U.S. All-Star Game Is a Big Hit

New York Times Service

**EAST RUTHERFORD, New Jersey** — The atmosphere was electrifying and the quality of play was comparable to World Cup level, but it was American-league players that drew soccer aficionados to Giants Stadium.

A crowd of 78,416 — a record for any sporting event here — and a television audience in 120 countries watched the Eastern Conference post a 3-2 victory over the Western Conference in the first Major League Soccer All-Star Game on Sunday. Afterward, the Olympic team of Brazil edged a collection of stars from around the world, 2-1.

The doubleheader evoked memories of the World Cup two summers ago, when the stadium played host to seven games.

"Soccer has come such a long way the last few months," said Thomas Rongen, the coach of the Eastern Conference All-Stars and the Tampa Bay Mutiny. "The big winner in this game was soccer, MLS and the players and fans."

With a midfield that included Roberto Donadoni and Tab Ramos of the New York/New Jersey MetroStars and Carlos Valderrama of the Mutiny, the Eastern Conference offered a spectacle of entertaining soccer in the first game until Donadoni left in the 35th minute with a strained ankle that prevented him from playing for the world team against Brazil in the second game.

Jorge Campos of the Los Angeles Galaxy and Mexico, the goalkeeper with the psychedelic uniforms, was the only player to appear in both games. The goalkeeper played the first half for the Western Conference and the first half for the world all-stars against Brazil.

Campos brought the crowd to its feet in the 30th minute of the first game when he abandoned his goal and ventured into the opposing penalty area after a brilliant run with the ball down the left flank.

Valderrama, the Colombian midfielder, set up the first and third Eastern Conference goals and was voted the most valuable player in the game.

Ramos scored the first goal, in the 14th minute, when Valderrama found him wide open at the edge of the penalty area on the right with a pass from the left. Ramos chested down the pass and hit the back of the net with a blistering right-footed shot.

"It was great playing with such great players before a huge crowd," Valderrama said. "We played good, attacking soccer and we excited the crowd. When you have so many quality players, I'm honored to be the MVP."

In the second game, Bebeto opened the scoring for Brazil on a header in the 48th minute and Roberto Carlos scored the winner from a sharp angle in the 79th minute after Jürgen Klinsmann tied it for the world all-stars with a left-footed volley in the 69th minute.



Sherly Swoopes, right, jostling for position against Stefania Zanussi of Italy during the U.S. team's 52nd straight exhibition victory.

## America Is Discovering Its Other 'Dream Team'

By Mark Heisler  
Los Angeles Times

The U.S. women's basketball team, which won gold medals in 1984 and 1988 but only bronze at Barcelona and the 1994 World Championships, has geared up for Atlanta, assembling its national team a year early under Coach Tara VanDerveer, who took a year off from her job at Stanford University.

The team barnstormed for a year, going 52-0 in exhibitions, winning by an average of 31 points a game. U.S. players were paid \$50,000 apiece. Marketing was taken over by the National Basketball Association, which raised visibility to new heights.

Eleven of the exhibitions were nationally televised. All players got contracts to endorse shoes. Lisa Leslie, the former University of Southern California star, who models, got a two-page layout in *Vogue*.

Until now, U.S. players who wanted to play professionally had to go overseas. After the Olympics, there will be not one women's league in the United States, but two: the American Basketball League — which has already signed half the members of this team — and an NBA-sponsored league.

But who will win in Atlanta? The United States is a solid favorite, playing at home with a cohesive team.

But unlike the men's competition, the other top teams may not be pushovers. In the Americans' only meeting with Russia this year, the United States won, 80-79, in a game at Chicago.

Russia finished third in the European Zone qualifying tournament. Ukraine, led by the former Soviet star

Marina Tkachenko, won the tournament. The last international competition, the '94 World Championships, was won by Brazil.

The U.S. women never beat the Soviet Union in basketball.

The women's game did not become part of the Olympics until 1976. The Soviets won the first two gold medals — the second while the United States and other Western nations boycotted the Moscow Games.

U.S. women then won the next two golds — the first in 1984 at Los Angeles, with the Soviets boycotting.

The two powers were expected to meet at Seoul in 1988, but Yugoslavia upset the Soviets in the semifinals, before falling to the Americans in the final.

At Barcelona in 1992, play-off under the banner of the United Team, most of what had been the Soviet team upset the United States in the semifinals, 79-73.

The U.S. team will look to Teresa Edwards, a 5-foot 11-inch guard (1.8-meter), for leadership. This will be the fourth Olympics for Edwards, a native of Decatur, Georgia, who was obliged to pursue her professional career overseas, playing for teams in Italy, Spain, France and Japan.

Until this team was assembled, she had not played in front of an American audience since the 1987 Pan American Games in Indianapolis.

"She's the veteran on the team, the one with all the war stories," said Val Ackerman, an NBA official. "It's a thrill for her to be part of this and to finally see some of these things that have been dreams so long kind of start to come to fruition."



Alexi Lalas, right, battling Cobi Jones for the ball at the All-Star Game.

## Griffey's Return Lifts Mariners Over Angels

The Associated Press

The swing was so sweet, so smooth that it was hard to tell that Ken Griffey had missed any time at all.

Griffey, out since June 19 because of a broken right wrist, made up for a 20-game absence in a hurry, hitting a two-run homer and a run-scoring double Sunday that sent the Seattle Mariners over the California Angels, 8-0.

"I don't like to sit at home," he said. "I felt like I was ready to come back and help."

Griffey rejoined the lineup about a week earlier than expected. Even though the Mariners went 12-8 without him, the return of their All-Star center fielder was reason enough for celebration.

The Kingdom crowd gave Griffey a standing ovation when he took the field, and he kept them cheering. Bob Wells (10-2) took care of the California batters, pitching a four-hitter for his first career shutout as the Mariners closed within three games of Texas in the American League West.

Blue Jays 7, Brewers 5 Cal Eldred made a solid return to the majors after missing more than a year because of elbow problems, pitching seven innings for Milwaukee at home.

Eldred gave up three runs and five hits in his first game since undergoing tendon replacement surgery on his right elbow on June 23, 1995.

Out Nixon led off the game with a bunt single, then bunted for another hit in the 10th that helped Toronto win. Nixon stole second and scored the go-ahead run on a single by Tomas Perez.

Athletics 9, Rangers 1 Scott Brosius and Matt Stairs homered and Oakland batted around twice in the first three innings to rout Texas at the Coliseum.

The A's homered in their season-high 10th straight game. The only Oakland starter without a hit was Mark McGwire.

Doug Johns pitched eight strong innings, striking out a career-high seven. Juan Gonzalez extended his hitting streak to a career-best 16 games for Texas.

In the National League:

Giants 6, Dodgers 0 William VanLandingham, whose 6.22 earned-run average entering the game was the third worst in the National League, took a no-hitter into the eighth inning before allowing consecutive singles in San Francisco's victory in Los Angeles.

After a second-inning walk, VanLandingham (5-9)

retired 16 straight batters before Raul Mondesi lined his first pitch of the eighth cleanly into left field.

Mike Blowers followed with a single and VanLandingham needed relief help to close out the eighth.

Cardinals 7, Cubs 6 After losing the series opener, St. Louis outscored host Chicago, 30-14, in winning three straight to take a one-game lead over Houston for first place in the NL Central.

Brian Jordan singled four times and drove in two

## BASEBALL ROUNDUP

runs, giving him 32 RBIs in his last 18 games.

Sammy Sosa hit his league-leading 28th homer, but Terry Adams couldn't hold a 4-3 lead.

Redskins 8, Padres 4 Vinny Castilla hit his fourth homer in four games and Ellis Burks homered and stole home as host Colorado won its fifth straight.

Armando Reynoso earned his second win in his last nine starts and his first since June 15. Fernando Valenzuela allowed five runs in 4-2-3 innings.

Mets 10, Astros 3 In the second game of a double-header in New York, Pete Harnisch won his first game since June 1 and Edgardo Alfonzo drove in three runs as the Mets gained a split.

Harnisch allowed three runs in 6½ innings for his first victory in eight starts.

In games reported in some editions Monday: White Sox 3, Royals 2 Rookie James Baldwin took a shutout into the ninth inning and did not walk a batter as Chicago won at Kansas City.

Baldwin (8-1) left with two runners on base, and Roberto Hernandez gave up a pair of run-batted-in groundouts in getting his 28th save.

Danny Tartabull homered and drove in three runs, and Harold Baines went 4-for-4 for Chicago. The White Sox won for the third time in four games since the league's RBI leader Frank Thomas went on the disabled list.

Yankees 4, Orioles 1 The Yankees finished off their first four-game sweep in Baltimore since 1955 and opened a 10-game lead over the second-place Orioles in the AL East.

Andy Pettitte (14-4), held out of the All-Star game because of worries about his elbow, was sharp for seven innings. He leads the league in victories. John Wetteland worked the ninth for his fourth save

of the series, giving him a major league-leading 33. He has been successful in his last 27 save chances.

Darryl Strawberry doubled, singled, stole a base and scored twice for New York.

Twins 5, Indians 4 In Minneapolis, Paul Molitor hit a solo home run with one out in the bottom of the ninth inning, giving Minnesota its first victory since the retirement of Kirby Puckett.

Molitor connected off Eric Plunk for his seventh homer, stopping the Twins' five-game losing streak and ending Cleveland's winning string at five.

Mark Carreon and Jim Thome homered for the Indians.

Red Sox 6, Tigers 4 Tim Lincecum helped Boston complete its first four-game sweep at Tiger Stadium since 1976. The Red Sox won their season-high fifth in a row.

Naehering, who homered and scored five times Saturday, hit a three-run homer his first time up. He singled in his next at-bat and scored on an error by shortstop Andruw Cabero.

Astros 7, Mets 6 Derrick May celebrated his 28th birthday by hitting two home runs in the first game at New York. But Houston needed Jeff Bagwell's go-ahead homer in the 11th inning off Dave Muck to win the game.

Browns 15, Marlins 10 Atlanta needed five runs in the bottom of the eighth to win at home after blowing leads of 8-3 and 10-6.

Ryan Klesko hit two homers and drove in six runs as the Braves won for the fifth time in six games.

Marquis Grissom had four hits and scored four runs for Atlanta. Jeff Conine homered twice and drove in four runs for Florida.

Reds 7, Pirates 6 Cincinnati pitcher Dave Burba homered for the first time in his career and woo for the fourth time in five decisions with the support of Reggie Sanders' two home runs.

Eduardo Perez, son of former Reds star Tony Perez, hit his first NL home run as the host Reds won for the third time in the four-game series.

Expos 5, Phillies 2 Sherman Oando hit two home runs for the first time in his career as host Montreal salvaged the finale of the four-game series.

Mike Williams allowed Mike Lansing's tie-breaking single in the seventh inning that put the Expos ahead for good.

## DENNIS THE MENACE



"I DON'T LIKE PLAYING HOUSE WITH YOU, MARSHMALLOW, BECAUSE IT NEVER SEEMS LIKE PLAYING."

THEY SCRAMBLED WORDS MADE BY PAUL ARNOLD AND MIKE ARNOLD

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REESHY

SNAFET

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## PEANUTS



HOW'S YOUR ELBOW, CHARLIE BROWN?

WELL, THEY PUT SOME ICE ON IT SO IT FEELS BETTER.

POW!

DO YOU THINK YOU'LL NEED SOME MORE ICE?

LIKE MAYBE A GLACIER?

OK, LET'S FLUSH IT!

FLUSH

WEE WEE! THAT'S GREAT! LET'S DO IT AGAIN!

FLUSH

I DON'T WANT TO KNOW WHAT'S GOING ON DO YOU?

NO, LET'S GO CHECK.

PARADE!

THANKS... SO FAR, WE'RE IN AGREEMENT

WIZARD OF ID

I CAN RUN THIS KINGDOM AS GOOD AS YOU CAN!

YOU CAN RUN THIS KINGDOM AS WELL AS I CAN

THANKS... SO FAR, WE'RE IN AGREEMENT

THE FAR SIDE

Welcome to heaven... Here's your harp.

Welcome to hell... Here's your accordion.

DOONESBURY

REALLY? YOU GUYS ARE DEVELOPING A RESORT?

UP - ME SAW A NEED!

TOURISM IS GETTING TO BE MORE POPULAR, R.I.C. - AND A LOT OF VISITORS WANT A SENSE OF WHAT IT WAS LIKE HERE DURING THE WAR...

OUR HOTEL WILL BE SORT OF A THEME RESORT - SET UP LIKE A U.S. BASE CAMP EVERY NIGHT WE'LL HAVE 'CHARLIE' BREAK THE PERIMETER!

AND 'CHARLIE'?

THE GLEED RESEMBLES THE ATTACK OF COURSE, AND YOU'RE SERVED A RUFFET!



ART BUCHWALD

Upsizing at the NRA

WASHINGTON — There is a great deal of dissension in the Republican Party over the party plank concerning abortion. But there doesn't seem to be any disagreement over the party's pro-gun policy. The Republicans and the National Rifle Association are as one.



"Why?" I Buchwald asked Fiberman, the great GOP conciliator.

"Because, if the Republicans lose the election, they want to make sure that they have enough weapons to shoot themselves," he told me.

"Can't they shoot themselves with shotguns and leave the semi-automatics to the bad guys?"

"No, because Republicans don't want the government telling them what kind of weapons they can use to commit suicide. That's what the skirmishing over the Brady bill is all about. You have to wait five days before you can buy a gun. It's just too long if you're feeling blue."

"Some awful people want to disarm this country and make it impossible to purchase the weapon of your choice. Their position would be a disaster for the NRA. Do you know how many jobs would be lost if the NRA went out of business?"

"How many?"

"Not counting the spokesmen, there are hundreds who distribute political contributions to members of Congress, thousands who lobby daily on the Hill, and heaven knows how many computers, which write letters to the editor concerning their constitutional right to bear arms."

I said, "The recent surveys show that more children are killed by guns than any other sport. Does that make the Republicans think twice about having a pro-gun plank in the party platform?"

"It might, but that doesn't mean we'll ever change our opinion. If we have to choose between Brady and Davy Crockett, we'll take Crockett any day. Besides, assault weapons don't kill children, children kill children."

"So, you're not expecting a fight in San Diego over the right to bear arms plank?"

"If any delegate starts something, we'll mow him down."

I told Fiberman how proud I was of him for handling the situation so well. He said that there were some tough issues and some easy ones to be resolved at the Convention. Gun ownership was an easy one.

"It's as American as apple pie," he said. "If you're in favor of semi-automatic weapons, you're in favor of motherhood."

"Bob Dole has no problem with anybody owning a gun, and, if we can get that message out to the duck hunters, he has the election sewed up."

"Will the Republicans offer amnesty to the anti-gun people?"

"We'll probably think about it and then reject it. If the gun control freaks keep bugging us they'll be sorry."

"What will you do if they still fight you after the election?"

Fiberman held up his fingers and smiled, "BANG."

Of Courage and Honor: Cut to a Real War Movie

By Bernard Weinraub  
New York Times Service

LOS ANGELES — Opening a movie is nerve-racking enough for a director. Opening a serious movie in the middle of a summer packed with hit films about alien invasions, impossible missions and nutty professors can be downright terrifying.

"I'd like to think that adults don't necessarily check their minds with their kids' schoolbooks in May and just pick them up again in September," said Edward Zwick, the director of "Courage Under Fire," a drama starring Denzel Washington and Meg Ryan that deals with the issues of truth and courage in war, in this case, the Gulf war.

"There has to be some appetite for more serious films. The question is, how much?" Laura Ziskin, whose company, Fox 2000, a division of 20th Century Fox, made "Courage Under Fire," said: "I think there's got to be audience out there that's starved for a movie with a real story, a movie with narrative drive, a movie that takes you someplace you've never been. That's what we've tried to do here."

The first weekend for the film, which opened in the United States on Friday, proved successful. Its estimated gross was \$12.7 million, and it came in No. 3, after "Independence Day" and "Phenomenon."

"It's a very good opening, proving that adults are not sleeping — they're out there," said Tom Sherak, senior executive vice president of 20th Century Fox.

Other films this summer are aimed at older audiences. "Phenomenon" itself, made by Walt Disney Co., with John Travolta as a man suddenly seized by extraordinary powers, opened two weeks ago and has drawn respectable audiences.

"Multiplicity," a comedy produced by Columbia Pictures with Michael Keaton as an architect who is so busy that he creates several copies of himself, is opening this week, and coming up later is "A Time to Kill," produced by Warner Bros. and based on the John Grisham novel about revenge and prejudice in the South.

"Courage Under Fire," which was written by Patrick Sheane Duncan, a Vietnam War infantryman who also wrote "Mr. Holland's Opus," follows two overlapping threads.

One involves a tank commander, played by Washington, who is haunted by an incident of "friendly fire" in the Gulf war that led to the death of a colleague. The other



Director Zwick (right) with Denzel Washington on set of "Courage Under Fire."

involves his assignment to investigate a posthumous Medal of Honor award to a medevac pilot played by Ryan.

Duncan said he got the idea for the film while writing a documentary for the Disney Channel about Medal of Honor winners. "I got to meet some of them, and they're just ordinary people who did something extraordinary," he said.

For Zwick, who is 43, the film is the latest step in what has been an unusual and successful career divided between television and movies. He was one of the creators of the Emmy-winning "thirtysomething" and of "My So-Called Life."

For television next season he has helped create a new series, "Relativity," a comedy-drama about a couple who fall in love while on separate European vacations.

While his television work centers on the delicacy of relationships, Zwick's film career has dealt with far more grandiose themes. "Glorious," made in 1989, was about the United States' first unit of black soldiers in the Civil War, and critics called it one of the best historical dramas in years. (The film won three Academy Awards, including one for Washington as best supporting actor.)

Next was "Legends of the Fall," a sprawling romantic western starring Brad

Pitt, Anthony Hopkins and Julia Ormond.

For the reflective and friendly Zwick, whose demeanor seems more Harvard than Hollywood, the appeal of "Courage Under Fire" is its exploration of courage, bravery and accountability. It is also, he said, a good story. "However much I may like to talk about or be interested in a more philosophical or moral agenda," he said, "it is, ultimately, about narrative. And it's about telling stories that are engaging and dramatic."

Walking the line between making big-budget studio films and trying to maintain and satisfy a personal vision is not easy. "I make movies that are for me and for a very broad marketplace," Zwick said.

"That's the challenge. You try to keep the personal as the engine of your career. I'm talking about something I feel passionate about, a concern, a belief, an identification with a character. And you still have to reconcile that with the stakes of these movies and the fact that each film is like a \$75 million start-up business that succeeds or fails in a weekend. That's a challenge, too."

Zwick, who lives in Santa Monica, California, with his wife, Liberty Godshall, and their two young children, grew up in the Chicago suburb of Winnetka, Illinois. The son of a businessman, Zwick attended Har-

vard, where he weighed the possibility of following an academic career in English literature and also began directing plays. Prodded by his parents, he was admitted to Harvard Law School.

Paul Freund, the legal scholar, who died in 1992, had seen several plays that Zwick had staged. "He was a very cultured man," Zwick said of Freund. "He took me to tea at a very tender moment. I had just been accepted to law school, and he essentially said: 'Well, yes, you could do this. But why? You could do that, what you do best.' It was a watershed moment in my life."

To his parents' dismay, he accepted a Rockefeller Fellowship to study experimental theater in Europe. In Paris he saw Woody Allen walking alone down a street on the Left Bank. "I did something I would never presume to do now," he said with a laugh. "I walked up to him and introduced myself and asked if I could hang out on the movie he was working on. He said, 'Call me tomorrow.' The movie turned out to be "Love and Death," and he was given a job as an assistant on it.

Zwick was accepted as a directing fellow at the American Film Institute in 1975, and a short film he made there caught the attention of some agents, and the producers of the television series "Family." He was invited to write an episode and later became the series' story editor and a director on it.

Other television films and series followed, notably "Special Bulletin," a highly charged drama about nuclear war. Zwick, who was director, producer and co-writer of the show, won two Emmys.

The show also marked the beginning of his collaboration with Marshall Herskovitz, with whom he later created "thirtysomething," the successful series that dealt with the angst — critics said too much angst — of a group of successful, self-absorbed couples in their 30s.

Zwick said the criticisms were understandable if not justified. "There was barely concealed resentment of this generation — and some of that is very legitimate — for its narcissism and celebration of itself," Zwick said.

"Did they whine? Yes. Is that something worthy to talk about? You bet," he said. "Just the drama of getting through the day is worthy of describing in theatrical terms and even trying to elevate. After all, we all struggle and there is pain and the heart is worthy of examination."

PEOPLE



UP AGAINST THE WALL — Bill Ingenthron, 18, lifting Brook Volle, 18, into the air during the variety show Dream Tour USA at the Great Wall of China.

THE tight-knit gang on "Friends" make a great union. All six cast members of the hit NBC sitcom got together to demand big raises, threatening a strike if they don't get about \$100,000 per show — each. Time magazine, which reports the ultimatum in its latest issue, says taping of the show's own season is at risk. Two seasons ago, when "Friends" began, the little-known crew — Courteney Cox, Jennifer Aniston, Matthew Perry, David Schwimmer, Lisa Kudrow and Matt LeBlanc — signed five-year contracts for about \$22,500 per episode. Time said. Undisclosed raises followed after the show took off, but they apparently weren't high enough to satisfy the cast, prompting the ultimatum to Warner Bros. Time also said Warner Bros. has reportedly sold "Friends" into syndication for \$4 million per episode, an unusually high sum, but the deal depends on the cast returning for at least two more years to generate enough shows for reruns.

Gregory Peck is in good condition following surgery for appendicitis in the Czech spa town of Karlovy Vary, hospital officials said Monday. The 80-year-old actor, who fell ill while attending a film festival in the picturesque town, was admitted to the hospital shortly before midnight Saturday. Earlier that day, he had received a Lifetime Achievement Award at the festival and attended the closing ceremony. "Mr. Peck is in good condition, and in a good mood," the local hospital director said. In an interview this spring, Peck said he had "no complaints" about his health. He said his regimen included "a little exercise and two glasses of red wine per day." Karlovy Vary has been famous for centuries for its hot springs. Among its previous guests were Peter the Great, Freud, Marx, and various composers including Bach, Beethoven and Chopin.

Celine Dion is used to big audiences, but the Canadian chanteuse says she finds the prospect of performing before a worldwide audience of billions a little daunting. Dion will sing at the opening ceremonies of the Atlanta Olympic Games on Friday. A television audience of 3.5 billion is expected to tune in. "Three billion people watching you is pretty frightening," Dion told People magazine. "This moment is coming very fast now, and I have goose bumps." Dion will sing "The Power of the Dream," a song

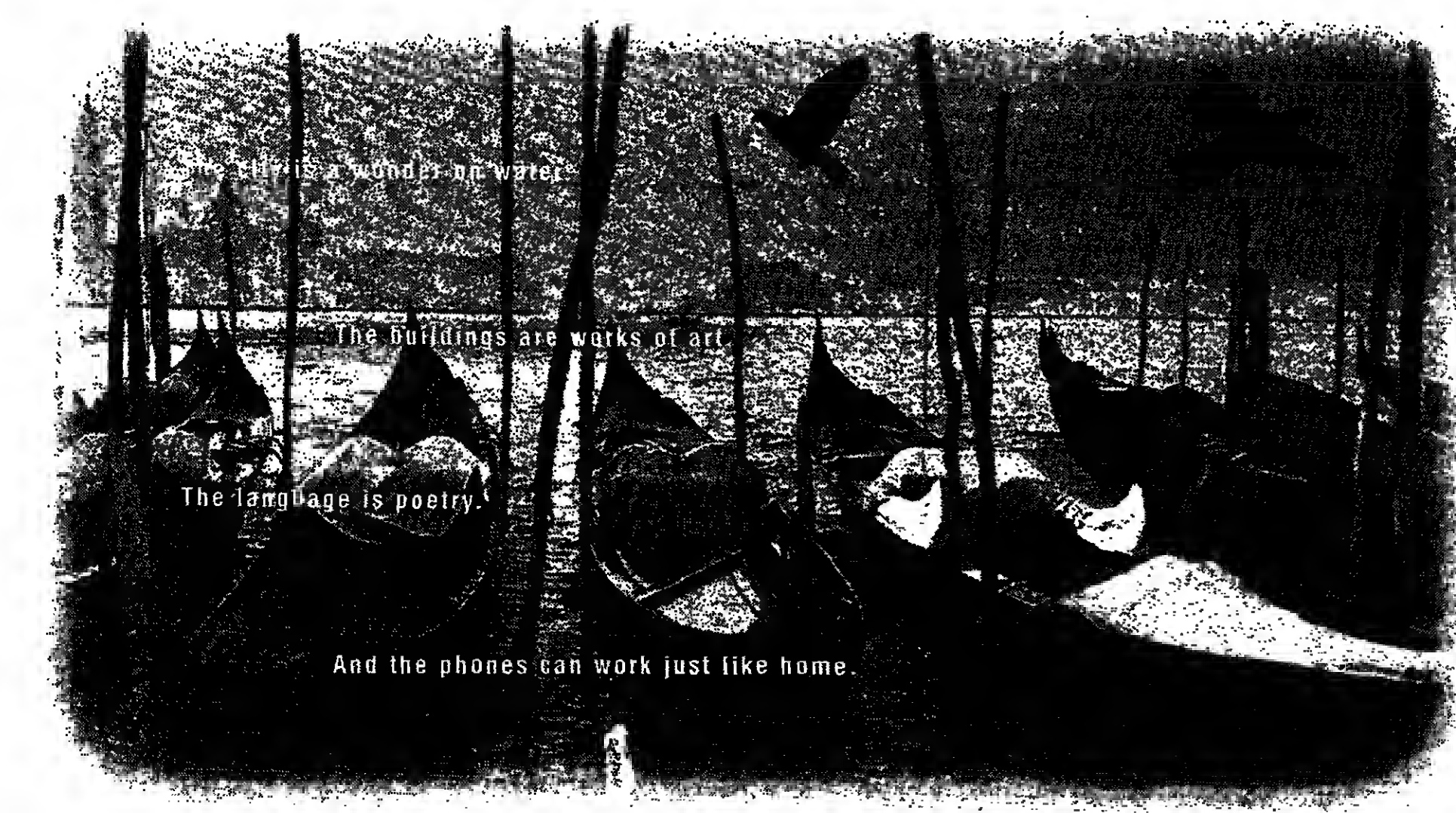
commissioned for the occasion. Though all eyes will be on her, she won't exactly be alone. Sharing the stage will be 100 musicians and 300 backup singers.

Lots of old Hollywood friends turned out to see Frank and Barbara Sinatra renew their wedding vows on the 20th anniversary of their nuptials. The Chairman of the Board promised there would be an encore performance. "We're going to do it in another 20 years," Sinatra, 80, said. Guests included Don Rickles, Steve Lawrence and Eydie Gorme, Robert Wagner and Jill St. John, Milton Berle, Bob Newhart and Peggy Lee. The Sinatras renewed their vows in a traditional Roman Catholic ceremony. They were joined by 70 guests at the church and later, at their home, for an Italian dinner.

President Robert Mugabe of Zimbabwe is planning to wed his former secretary in a Roman Catholic ceremony next month, a Harare newspaper reports. Grace Marufu is already married to Mugabe under African traditional law, which allowed him to take her as a junior wife while his first wife, Sally, was

still alive. Sally Mugabe died in 1991 of a chronic kidney ailment. The planned church wedding indicates that Mugabe, 72, has smoothed over differences with Roman Catholic leaders, who had criticized his relationship with Marufu, 42. Mugabe and Marufu have a 9-year-old daughter, Bona, and a 7-year-old son, Robert Jr. Mugabe's only child by Sally Mugabe died in infancy.

The novelist Russell Banks, who says he modeled his early writing on Ernest Hemingway's, has received the Conch Republic Prize for Literature on the grounds of Hemingway's former home in Key West, Florida. Banks, author of "Continental Drift," "Searching for Survivors," and, most recently, "Rule of Bone," received the award at the start of Key West's annual Hemingway Days Festival. Banks, a creative writing instructor at Princeton, said he came to Key West in 1961 when he was 21 years old, writing short stories "modeled very closely on Hemingway's stories." The Conch honors a writer whose life's work reflects the Key West spirit and enjoyment of life. Previous recipients include James Dickey, John Updike and Peter Matthiessen.



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